



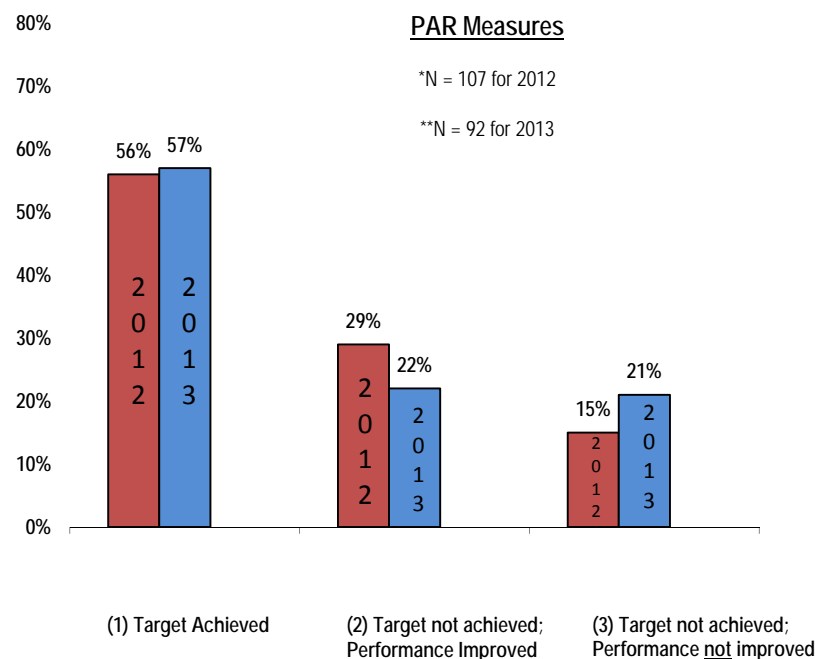
## Performance Overview

### Purpose of This Report

The Department of Veterans Affairs 2013 Performance and Accountability Report (PAR) describes VA's accomplishments and progress during 2013 toward fulfilling its mission. The report is designed to enable Department management, our stakeholders, and our employees to assess VA's program and financial performance, as compared to its goals, and to use this information to make necessary assessments and improvements.

### 2013 Performance — A Department-Level Summary

**Performance Results:** The chart below shows how well VA performed in meeting its performance targets. As shown, VA achieved the target for 57 percent of all measures.



\*Note: 28 of 135 Measures (N = 107 for 2012) are neutral measures; meaning they have no FY11-12 year-to-year comparison, or they "base-lined" in the FY 2012 Performance Plan.

\*\*Note : 19 of 111 Measures (N = 92 for 2013) are neutral measures; meaning they have no FY12-13 year-to-year comparison, or they "base-lined" in the FY 2013 Performance Plan.

### 2013 Performance Measures by Program

The following table displays 111 VA performance measures which include our key 25 (identified by an asterisk) and supporting measures by organization and program. For each measure, we show available trend data for 4 years. (N/Av means data not available.) This report highlights the actual 2013 result as compared to the 2012 target. For measures in which the target was not met, we provide a brief explanation of why there was a significant deviation between the actual and planned performance level and briefly identify the steps being taken to ensure goal achievement in the future. Following the table of 111 measures are detailed descriptions of the key 25 performance measures.



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
Medical Care Programs							
<b>*Prevention Index V</b> (The 2008 result is PI III. The 2009-2011 results are PI IV. The 2012-2014 targets are PI V.) (see page II-18)	89%	91%	92%	94%	93%	93%	95%
<b>*Clinical Practice Guidelines Index IV</b> (The 2008 result is CPGI II. The 2009-2011 results are CPGI III. The 2012-2014 targets are CPGI IV.) (see page II-19)	91%	92%	91%	94%	93%	92%	94%
<b>*Percent of new primary care appointments completed within 14 days of the create date for the appointment (New)</b> [1] In 2012, VHA began measuring the four appointment performance measures using a 14-day standard. (see page II-20)	N/Av	N/Av	N/Av	N/Av	41%	TBD (Baseline)	TBD
<b>*Percent of new specialty care appointments completed within 14 days of the create date for the appointment (New)</b> (See [1] above) (see page II-21)	N/Av	N/Av	N/Av	N/Av	40%	TBD (Baseline)	TBD
Percent of new mental health appointments completed within 14 days of the create date for the appointment ( <b>New</b> )	N/Av	N/Av	N/Av	N/Av	66%	TBD (Baseline)	TBD
<b>Causes:</b> •The three main causes of low performance are: 1) Inadequate tools/transparency to both account for and manage provider capacity; (for example, there are over 24,000 “grids” for scheduling in Primary Care, making national level tracking virtually impossible) 2) Lack of provider capacity (for example there is an 8 percent vacancy rate for Primary Care providers, but we don’t have numbers for other specialties); and/or 3) Suboptimal clinic operations function. (Data suggest about 2/3 of access issues could be related to team roles, function, and teamwork. Recent qualitative evidence from pilot sites shows BHIP in MH is associated with staff estimates of improved access, continuity, and overall Veteran health status. <b>Resolution Strategies:</b> •Establish network and facility growth plans as part of the planning and budgeting process. As resources will not be in an ever-expanding state, these plans will require adjustments to meet growth scenarios. • Customize facility goals for those needing to improve clinic operations function vs. those that need resources. • Standardize clinic profile (grid) set up rules to define appointment types, identify total available clinic slots, and other factors. This will increase transparency in expensive staff capacity and allow better oversight and management. • Standardize implementation of strategies known to improve clinic function such as: use the available predictive model to reduce no-shows; make clinic cancellation line easy with one call; • Establish regular site visits to VISNs in order to assess access management and scheduling practices. These site visits will then be extended by the VISNs, following the blueprint established by the ACAP team. • Expand Access Educational efforts. Data shows education is highly valued by employees, decreases burnout and improves clinic function.							



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets	
	2009	2010	2011	2012 (Final)	Results	Targets		
*Percent of established primary care appointments completed within 14 days of the desired date for the appointment (New) (See [1] above) (see page II-22)	N/Av	N/Av	N/Av	N/Av	93%	TBD (Baseline)	TBD	
*Percent of established specialty care appointments completed within 14 days of the desired date for the appointment (New) (See [1] above) (see page II-23)	N/Av	N/Av	N/Av	N/Av	93%	TBD (Baseline)	TBD	
Percent of established mental health patients with a scheduled appointment within 14 days of the desired date for the appointment (New)	N/Av	N/Av	N/Av	N/Av	95%	TBD (Baseline)	TBD	
*Percent of patients rating VA health care as 9 or 10 (on a scale from 0 to 10) (see page II- 24-25) (VHA has moved to a nationally standardized tool, a family of surveys known as Consumer Assessment of Health Care Plans and Systems (CAHPS). 2009 was a re-baseline year to determine both annual and strategic targets. The 2009 results are not comparable with prior years and cannot be compared to 2010 due to additional changes to the survey instrument and administration protocol that were implemented in 2010.)								
	Inpatient (1) Corrected	63% (Baseline)	(1) 64%	64%	64%	65%	66%	75%
	Outpatient	57% (Baseline)	55%	55%	55%	54%	58%	70%
Percent of total HUD-VASH vouchers that resulted in a Veteran achieving resident status (Supports Agency Priority Goal)	N/Av	88%	100%	92%	92%	88%	90%	



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
Percent of targeted population of OEF/OIF Veterans with a primary diagnosis of PTSD who receive a minimum of 8 psychotherapy sessions within a 14-week period	N/Av	11%	15%	15%	53%	67%	97%
<p><b>Causes</b> • This metric involves a highly complex set of rules. Work on the rules and the resulting formal definitions for this metric were not completed until late in November 2012 and there was also a delay in capturing and posting the initial data. Facilities did not obtain performance results until the end of the 2nd Quarter of FY 2013. As the facilities were unaware of their performance on this metric for the first two quarters of the fiscal year, they were at a disadvantage to address changes needed to overcome less than optimal performance. • Facilities identified the need for a case finder to assist them in locating Veterans requiring psychotherapy sessions under the metric. A case finder was developed and tested by the field, but was not available to all for use until late in the 3rd Quarter of FY2013.</p> <p><b>Resolution Strategies</b> • VHA facilities all have the current definitions of this metric. The definition of the numerator and denominator of the metric will not be different in 2014. VHA will continue to have monthly conference calls about the mental health (MH) performance measures. Calls will address both technical aspects of the metric, as well as best practices. There will also be ongoing educational conference calls provided on a regular basis throughout the fiscal year that include dissemination of best practices. • VHA will continue to monitor performance on this metric. Sites remaining significantly below the target at the end of the 1st Quarter of 2014 will be expected to provide a specific action plan related to this metric and technical assistance will be provided. • Some Veterans and providers make a mutual decision to end therapy earlier than the recommended 8 treatment sessions if treatment goals have been achieved. • Engagement in treatment for OEF/OIF/OND Veterans continues to be an issue.</p>							
Percent of Veterans being discharged from an inpatient Mental Health unit who receive outpatient mental health follow-up care within 7 days of discharge	N/Av	N/Av	N/Av	N/Av	78%	68%	85%
Percent of NonVA claims paid in 30 days (VHA)	N/Av	N/Av	79%	80%	79%	90%	90%
<p><b>Causes</b> • Facilities report they struggle to balance incoming claims and backlogged claims. In some instances, facilities have a large volume of backlog that they are working towards reducing, and focus on those backlog claims can affect their ability to address new claims.</p> <ul style="list-style-type: none"> <li>• Facilities have reported that staffing deficiencies are a main contributor to not being able to process claims within 30 days.</li> <li>• Claims processing software / Technical issues: <ul style="list-style-type: none"> <li>◦ Phantom Claims in the Fee Basis Claims System (FBCS), also referred to as orphaned claims, account for approximately 3% of station's backlog. Orphan claims are created when front end staff attempt to disposition, edit or delete the FBCS claim in the Veterans Health Information Systems and Technology Architecture (VistA) system and not in FBCS.</li> <li>◦ VHA has implemented a comprehensive set of Program Integrity Tools (PIT) to reduce fraud, waste and abuse and improve payment accuracy in a pre-payment status. Stations consistently report a 48-72 hour delay in claims returning from PIT which has affected timeliness by up to 13%.</li> <li>◦ New patch roll outs along with IT migrations from Windows XP to Windows 7 has resulted in numerous latency concerns and periodic system aborts. There have also been Electronic Data Interchange (EDI) Technical issues and Backup server shutdowns that caused claims re-transmission or a major loss of claims data that required new server installations and claims recovery or re-processing.</li> </ul> </li> </ul> <p><b>Resolution Strategies</b> • As more facilities continue to adopt and implement FBCS Optimization, it is expected that timeliness will improve.</p> <ul style="list-style-type: none"> <li>• Continued Automation Implementation of Medicare Pricing Methodology within our Claims processing system (also referred to as Patch 12) has been found to reduce errors attributed to the improper application of payment methodologies. It is anticipated that improper payments due to payment methodology errors will continue to be reduced. As a result, proper pricing will reduce claims re-work which in-turn will support more timely claims processing.</li> </ul>							
Percent of Veterans who report "yes" to the Shared Decision-making questions in the Inpatient Surveys of the Health Experiences of Patients (SHEP) (2011 was a re-baseline year after measure validation was completed in 2010.)	N/Av	71%	72%	72%	74%	72%	75%



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
The average proportion of patients responding "Always" to receiving timely appointments, care and information ( <b>New</b> )	N/Av	N/Av	N/Av	N/Av	39%	baseline	TBD
<b>Medical Research</b>							
Percent of Veterans participating in telehealth	N/Av	N/Av	N/Av	9%	11%	15%	75%
<b>Veterans Benefits Administration</b>							
<b>Compensation and Pension</b>							
<b>Performance Measures</b>							
<b>*BACKLOG: Percentage of disability compensation and pension claims pending inventory that is more than 125 days old</b> (Supports Agency Priority Goal) (see page II-26)	N/Av	36%	60%	66%	58%	40%	0%
<b>Causes:</b> • Factors that have resulted in the submission of more disability claims, and hence contributed to the backlog, include VBA initiatives to increase access, and other conditions that increased demand for VBA to address unmet disability compensation needs: • Increased Access: (1) Increased use of technology and social media by Veterans to inform themselves about available benefits and resources. (2) Creation of additional presumptions of service connection resulting in more claims for exposure-related disabilities. (3) Extensive and successful use of VBA outreach programs to inform more Veterans of their earned benefits, which can include compensatin claims. (4) Improved access to benefits through the joint VA and DoD Pre-Discharge programs. • Increased Demand: (1) 12 years of war with increase survival rates for our wounded. (2) Aging population of Veterans from previous eras, such as Vietnam and Korea, whose conditions are worsening. (3) Impact of a difficult economy. (4) Growth in the complexity of claims decisions as a result of the increase in the average number of medical conditions for which each claimant files. <b>Resolution Strategies:</b> • In 2013, VBA focused on completing 1- and 2- year old claims, thereby decreasing the inventory that is more than 125 days old from 72 to 59 percent. • Continued processing of older compensation rating claims will achieve the 40 percent target for 2014 as well as the Secretary's goal of having no rating claim over 125 dats in 2015 (Q4). • The deployment of future VBMS releases will result in increased efficiencies, resulting in a lower ADC and backlog. (Ongoing)							
<b>*National accuracy rate - compensation entitlement claims (see page II-27)</b> (Supports Agency Priority Goal)	84%	84%	84%	86%	89%	90%	98%
Compensation maintenance claims - average days to complete	N/Av	99	106	128	166	110	60
<b>Causes:</b> • Because VBA focused on processing older claims, the ADC for maintenance claims rose; however, this focus on older claims will improve future performance. <b>Resolution Strategies:</b> • As VBA reduces its compensation rating backlog, it will reallocate resources to process its maintenance compensation inventory. (Q4) • Rules-based applications will lead to greater automation of maintenance workload, such as dependency claims. (Ongoing)							



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
<b>*Compensation entitlement claims - average days to complete</b> (Supports Agency Priority Goal) (see page II-28)	161	166	188	287	378	250	90
<b>Causes:</b> • Increased completion of 1- and 2-year old claims increases the average days to complete (ADC). This focus on older claims will improve future performance. <b>Resolution Strategies:</b> • Continued processing of older compensation entitlement claims will achieve the Secretary's goal of having no rating claims over 125 days old in 2015. • The deployment of Veterans Benefits Management System (VBMS) will result in increased efficiencies, resulting in a lower ADC. (Ongoing)							
Burial claims processed - average days to complete (Pension)	78	76	113	178	174	140	21
<b>Causes:</b> • VBA received over 140,000 burial claims in each of the last three years (2010-2012), and received over 150,000 claims for burial benefits in 2013. •The current design of the burial program is labor and paper intensive and requires VA employees to review receipts and other documents to determine the precise amount of reimbursement for a relatively small one-time payment that VA nearly always pays at the maximum rate permitted by law. <b>Resolution Strategies:</b> •VBA is working to streamline the burial program by simplifying evidentiary requirements, paying eligible surviving spouses without application based on evidence in VBA systems at the date of the Veteran's death, and establishing flat-rate payments for certain burial benefits. • Implementations of such a plan requires amendments of VA's burial regulations; a proposed regulation was recently received by the Office of Management and Budget (OMB). VBA has since resubmitted to OMB a revised version of the proposed regulation and will determine the way forward after reviewing any new OMB Comments (Q2-Regulation)							
National accuracy rate -- compensation maintenance claims	95%	96%	97%	95%	95%	97%	98%
National accuracy rate - burial claims processed (Compensation)	93%	96%	97%	100%	Error in data collection	98%	98%
Pension and Fiduciary (P&F) Service is unable to report an accuracy figure for burial claims because we identified an error in our sampling methodology. In addressing issues with State plot payments during the year, we determined that our methodology for tracking and reporting burial accuracy did not include all of the relevant burial claims. Previous accuracy reports measured only the accuracy of consolidated State plot payments worked under end product (EP) 160; however, the majority of burial claims were actually worked under EPs 161 and 167. P&F service has corrected the issue by revising the scope of the sample, and will now track for accuracy purposes burial claims worked under EPs 161 and 167.							
<b>*National accuracy rate - pension maintenance claims (see page II-29)</b>	95%	96%	97%	98%	98%	98%	98%
Number of registered eBenefits users ( <b>Supports Agency Priority Goal</b> )	N/Av	N/Av	1M (Baseline)	1.93M	3.06M	2.5M	3.5M
<b>*Percentage of DIC Claims Inventory Pending Over 125 Days (see page II-30)</b>	N/Av	N/Av	N/Av	41.0%	26%	38%	0
National accuracy rate - original and reopened pension claims	95%	96%	98%	97%	98%	98%	98%
<b>*Percentage of Original and Reopened Pension Claims Inventory Pending Over 125 days (see page II-31)</b>	N/Av	N/Av	N/Av	34%	37%	36%	0
<b>*Average Days to Complete Pension Maintenance Claims (see page II-32)</b>	N/Av	N/Av	N/Av	135	184	100	60
Average days to complete original survivors pension claims	N/Av	N/Av	N/Av	231 (baseline)	251	230	90



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
<b>*Original and reopened pension claims - average days to complete (Supports Agency Priority Goal) (new) (see page 33)</b>	N/Av	N/Av	N/Av	113	140	115	90
<p><b>Causes:</b> • Because statutory program design requires dollar-for-dollar income adjustments, VBA continues to experience a consistently high volume of pension maintenance work, which limits our ability to redirect Pension Management Center (PMC) resources to other work including original claims for pension. • VBA's pension maintenance work accounts for more than half of all PMC workload. VBA received an average of 312,000 pension maintenance work items annually between 2010 and 2012 and expects to receive over 283,000 maintenance work items in 2013.</p> <p><b>Resolution Strategies:</b> • VBA has reduced pension maintenance work by eliminating annual Eligibility Verification Reports and reducing numbers of Income Verification Matches. VBA is able to make these reductions based on its pension verification initiative. (Q1) • VBA is implementing a PMC realignment plan that will leverage existing best practices and produce efficiencies in claims processing that will enable VBA to more timely complete these claims. (Q1) • VBA will publish guidance reducing or eliminating inefficient and redundant procedures relying on information in VBA systems whenever possible to grant benefits without further development. (Q2)</p>							
National accuracy rate - Fiduciary work	82%	85%	88%	86%	90%	92%	98%
<p><b>Causes:</b> • Current appeals system is open ended, allowing unlimited submission of evidence, which prolongs appeals resolution. • Decision Review Officers (DROs) provide layered reviews that add steps to processing.</p> <p><b>Resolution Strategies:</b> • VBA formed the Appeals Design Team, streamlining the appeals process and more efficiently using DRO. On September 24, 2013, VBA released guidance for implementing the Appeals Design Team recommendations. These recommendations reduce the average number of days to resolve appeals. • Implementing Section 501 of PL 112-154 will result in more prompt processing of appeals, as the Board of Veterans' Appeals may receive some evidence without the need for regional offices to consider it first. (Q1)</p>							
National Call Center Client Satisfaction Index Score (New)	N/Av	N/Av	N/Av	744 (baseline)	758	754	765
Percent of IDES participants who will be awarded benefits within 30 days of discharge	N/Av	N/Av	N/Av	31%	16%	60%	90%
<p><b>Causes:</b> • The Army referred a large number of National Guard and Reserve Component members to IDES, which increased the estimated total caseload from 27,000 to 30,000 to 35,000 cases. • In July 2012, it was determined that 156 additional personnel were needed to effectively manage the increase in projected workload; however, funding for the additional staffing was unavailable. • Benefit Notification receipts per month increase by 211% from an average of 499 in 2012 to an average of 1,552 in 2013, and Preliminary Rating receipts per month increased by 100%, from an average of 1,228 in 2012 to an average of 2,455 in 2013, due to increased MEB and PEB process improvements.</p> <p><b>Resolution Strategies:</b> • Brokering of 250 Preliminary ratings per month to the Providence Disability Rating Activity Site (DRAS). (To reassess strategy in December 2013). • 20 hours of mandatory overtime for 167 IDES employees at the Seattle DRAS. (Ongoing to end of FY13).</p> <p>• Additional RVSRs to DRAS from D1BC; 60% of rating resources dedicated to final ratings and benefit notification. • Additional personnel from Day 1 Brokering Center to help DRAS with final ratings and benefit notification. • Increase in rating production - 4000 ratings per month by October 2013 and 5000 ratings per month by May 2014.</p>							



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
<i>Education</i>							
Performance Measures							
*Average days to complete original Education claims (see page II-34)	26	39	24	31	26	28	28
*Average days to complete supplemental Education claims (see page II-35)	13	16	12	17	10	14	14
Percent of Montgomery GI Bill or Post 9/11 GI Bill participants who successfully completed an education or training program (See (1) above)	N/Av	N/Av	N/Av	Baseline	N/Av	TBD	TBD
Education Claims Completed Per FTE (See (1) above)	N/Av	N/Av	N/Av	Baseline	N/Av	TBD	TBD
Payment accuracy rate (Education)	96%	95%	98%	99%	99%	97%	97%
Education Call Center Client Satisfaction Index Score	N/Av	N/Av	N/Av	753	754	754	765
Percent of beneficiaries very satisfied or somewhat satisfied with the way VA handled their education claim	N/Av	N/Av	N/Av	Baseline	N/Av	TBD	TBD
Percent of beneficiaries that believe their VA educational assistance has been either very helpful or helpful in the attainment of their educational or vocational goal (See (2) above)	N/Av	N/Av	N/Av	Baseline	N/Av	TBD	TBD
<i>Vocational Rehabilitation and Employment</i>							
Performance Measures							
*Rehabilitation Rate (General) (see page II-36)	74%	76%	77%	77%	68%	77%	80%
<u>Causes:</u> • In 2013, VR&E reported an increase in the number of Veterans that were discontinued from the program for reasons such as finances, disability issues, family issues, or simply a lack of interest in continuing to receive services due to personal choice. • As more Veterans discontinued their participation, the rehabilitation rate declined, despite a slight increase in the total number of rehabilitations from 2012. <u>Resolution Strategies:</u> • In the process of updating performance standards to establish measurements where achieving success is both clear and definitive and eliminate measures that encourage holding inactive cases. (Ongoing) •Continued communication with the case managers to ensure that cases are discontinued timely and accurately throughout the fiscal year. (Ongoing)							





## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
Employment Rehabilitation Rate	Baseline	73%	74%	74%	65%	77%	80%
<b>Causes:</b> • Although the labor marker condition improved slightly over the past year, there was still a lack of career opportunities for Veterans completing training and ready to enter the workforce. • As more Veterans discontinued their participation, the rehabilitation rate declined, despite a slight increase in the total number of rehabilitations from 2012. <b>Resolution Strategies:</b> • Continue to focus on Veteran placement, outreach, job development, and community re-entry to assist Veterans obtain and maintain employment. (Ongoing) • Continue collaboration with key partners to create employment opportunities for Veterans. (Ongoing) • Continue to enhance job-seeking tools and training to better equip Veterans to enter suitable careers. (Ongoing)							
Accuracy Rate of Vocational Rehabilitation Program Completion Decisions	96%	97%	97%	97%	97%	97%	99%
Veterans' satisfaction with the Vocational Rehabilitation and Employment Program	N/Av	N/Av	N/Av	N/Av	N/Av	Baseline	TBD
<b>Housing</b>							
<b>Performance Measures</b>							
<b>*Default Resolution Rate (see page II-37)</b>	71.5%	76.3%	83.0%	80.9%	79.4%	82.0%	85.0%
Program Review Accuracy Rate (Housing)	N/Av	N/Av	Baseline	98.40%	99.2%	98.0%	99.0%
Rate of homeownership for Veterans compared to that of the general population	117.2%	117.2%	122.98%	123.1%	124.5%	120.5%	122.0%
Specially Adapted Housing (SAH) grantees who believe adaptations obtained under the program have helped them live more independently	N/Av	N/Av	N/Av	N/Av	baseline	baseline	TBD
Veterans' Satisfaction Level with the VA Loan Guaranty Program	92.3%	N/Av	N/Av	N/Av	baseline	baseline	TBD
<b>Insurance</b>							
<b>Performance Measures</b>							
<b>*Rate of high client satisfaction ratings on Insurance services delivered (see page II-38)</b>	96%	95%	95%	95%	93%	95%	95%
Number of disbursements (death claims, loans, and cash surrenders) per FTE (Insurance)	1,755	1,714	1,786	1,775	1,785	1,750	1,800



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
National Cemetery Administration							
Burial Program							
Performance Measures							
*Percent of graves in national cemeteries marked within 60 days of interment (see page II-41)	95%	94%	93%	89%	95%	95%	95%
*Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence (see page II-42)	87.4%	88.1%	89.0%	89.6%	89.5%	89.5%	95.0%
*Percent of respondents who rate the quality of service provided by the national cemeteries as excellent (see page II-43)	95%	95%	95%	96%	96%	98%	100%
*Percent of respondents who rate national cemetery appearance as excellent (see page II-44)	98%	98%	98%	99%	99%	99%	100%
*Percent of applications for headstones and markers that are processed within 20 days for the graves of Veterans who are not buried in national cemeteries (see page II-45)	93%	74%	93%	88%	79%	90%	90%
<b>Causes:</b> • President Obama signed S. 3202, “Dignified Burial and Other Veterans’ Benefits Improvement Act of 2012”, on January 10, 2013. Section 104 of the new public law prohibits burial in a national cemetery or memorialization of certain individuals who committed sex crimes. This law is in addition to the 1997 Capital Crime prohibition. Reviews of the government headstone, marker, medallion and Presidential Memorial Certificate application processes in relation to the new law revealed a need to revise not only the application forms, but to immediately implement a screening of applicants to comply with both laws. To ensure compliance, NCA’s Memorial Programs Service (MPS) Case Managers began calling each applicant in to verify this information. Implementation of the new screening process has doubled processing times, despite the implementation of overtime at all processing sites, negatively impacting the timeliness of benefit delivery in this area. <b>Resolution Strategies:</b> • MPS has revised its application forms to obtain written verification from the applicant that the Veteran for whom the benefit is sought has not committed a capital or sex crime. While these applications are amended, MPS will continue to utilize overtime at all MPS processing sites to mitigate the increased processing time. NCA is also exploring partnerships to leverage capabilities in other parts of VA to assist in this effort. NCA expects that the new application forms and processes will be fully implemented by the spring of 2014 at which time processing performance is expected to return to normal levels.							
Percent of respondents who would recommend the national cemetery to Veteran families during their time of need	98%	98%	98%	99%	99%	99%	100%
Percent of gravesites that have grades that are level and blend with adjacent grade levels	90%	89%	91%	93%	94%	87%	95%
Percent of headstones and markers that are delivered undamaged and correctly inscribed	96%	96%	95%	96%	96%	97%	98%
Percent of headstones, markers, and niche covers that are clean and free of debris or objectionable accumulations	82%	85%	82%	82%	84%	83%	95%



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
Percent of headstones and/or markers in national cemeteries that are at the proper height and alignment	64%	67%	70%	69%	70%	71%	90%
Percent of respondents who agree or strongly agree that the quality of the headstone or marker received from VA was excellent	N/Av	94%	95%	91%	90%	96%	100%
Percent of respondents who agree or strongly agree that the quality of the Presidential Memorial Certificate received from VA was excellent	N/Av	96%	94%	90%	89%	97%	100%
<b>Board of Veterans' Appeals</b>							
<b>Performance Measures</b>							
Appeals resolution time (From NOD to Final Decision) (Average Number of Days) (Joint BVA-VBA Compensation and Pension measure)	709	656	747	675	923	650	400
<b>Causes:</b> Most appeals are addressed by the Board since most come in completed by VBA. Nevertheless, for appeals not resolved to the Veteran's satisfaction, the appeal may be transferred to the Board for a final agency decision. As the number of cases processed by VBA increases, the number on the Board expands, and this leads to longer average times to resolve appealed claims. <b>Resolution Strategies:</b> • The Board is working with VBA and the other organizations to develop more robust indicators to determine which phases of the claims / appeals process require greater attention. (Q1) Once developed, the Board, VBA and other organizations will develop and deploy plans to reduce ART. (Q4)							
BVA Cycle Time (Excludes Representative Time) (Average Number of Days)	100	99	119	117	130	140	104
Percent of Total Hearings that are Conducted via Video Conference	29%	29%	29%	40%	50%	46%	50%
BVA pending inventory	17,713	21,112	20,287	25,599	46,974	41,098	21,000
<b>Causes:</b> • The Board's workload is directly tied to VBA workload, which continues to grow. <b>Resolution Strategies:</b> • The Board will continue to focus on reducing its pending inventory of appeals through a multi-pronged approach, to include full budget execution (95 percent of the Board's budget is allocated to labor costs), executing a robust training program for all new hires, collaborating closely with VBA and the Veterans Health Administration (VHA) to reduce avoidable remands, encouraging Veterans to leverage Video Teleconference (VTC) technology, and advocating for legislative proposals aimed at streamlining the appeals process.							



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
Supporting Program Measures							
Performance Measures							
Percent of total procurement dollars awarded to service-disabled Veteran-owned small businesses (OSDBU) (1) VA's data reported may differ from data reported by the Small Business Administration (SBA) due to the timing of when SBA runs its report.	16.96%	20.0%	18.3%	20.0%	19.8%	10.0%	10.0%
Percent of total procurement dollars awarded to Veteran-owned small businesses (OSDBU) (See (1) above)	19.30%	23.0%	20.5%	22.0%	22.2%	12.0%	12.0%
Percent of total procurement dollars awarded to businesses located in Historically Underutilized Business Zones (OSDBU). (See above)	2.00%	2.1%	2.2%	1.7%	1.8%	3.0%	3.0%
<u>Causes:</u> •VA is required by law to give small business contracting preferences to service-disabled and other Veteran-owned small businesses. The preferences provided under the HUBZone program apply only when Service Disabled Veteran Owned Small Business (SDVOSB) or Veteran Owned Small Businesses (VOSB) are unavailable to perform the contract work. <u>Resolution Strategies:</u> • OSDBU is conducting outreach to identify SDVOSBs and VOSBs that may also be eligible for the HUBZone program. Such firms would continue to receive preferences due to their Veteran status, but their qualified HUBZone status would also count toward that goal as well.							
Percent of complete verification applications in the Vendor Information Pages (VIP) database that are processed within 60 days (OSDBU) (Measure revised from 90 to 60 days in FY 2013).	N/Av	N/Av	93.0%	95.0%	100.0%	90.0%	95.0%
Percent of annual major construction operating plan executed	N/Av	N/Av	82%	44%	87%	85%	85%
Percent of facilities customers that are satisfied with services being provided (OALC)	N/Av	N/Av	85%	83%	82%	85%	90%
Number of audit qualifications identified in the auditor's opinion on the VA Supply Fund (OALC)	0%	0%	0%	0%	0%	0%	0%
Percent of contracts competitively awarded (OALC Supply Fund)	N/Av	74%	75%	65%	79%	65%	65%
Percent of contracts that meet the established procurement action lead times/milestone dates. (Procurement Action Lead Time)(OALC)	N/Av	N/Av	71%	90%	96%	90%	90%



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
Percent of contracts that are awarded within required procurement action timeframes (number of weeks between technical clearance of the final construction documents and award of contracts) (OALC)	N/Av	N/Av	53%	85%	60%	85%	90%
<b>Causes:</b> Measure reports below target due to delayed awards for West Los Angeles, Bay Pines, Seattle, Palo Alto (Demolition and Recreation Therapy) and Central East FL (New Cemetery) projects. <b>Resolution Strategies:</b> Estimate that this will be yellow by the end of the fiscal year 2013.							
Percent major lease acquisitions that meet final direct lease acquisition target date (OALC)	N/Av	N/Av	76%	78%	94%	80%	90%
Number of Homeless Veterans on any given night <b>(Supports Agency Priority Goal)</b> (Joint VHA-OPIA measure)	75,609	76,329	67,495	62,619	57,849	47,000	0
<b>Causes:</b> The 2013 Point-in-Time (PIT) Count estimates there were 57,849 homeless Veterans on a single night in January 2013, continuing the downward trend in homelessness among Veterans. While VA did not reach its joint goal with HUD of lowering the number of homeless Veterans to 47,000 as measured by the January 2013 PIT Count, there was an 8 percent reduction from 2012-2013. The number of homeless Veterans has declined by more than 23 percent since 2009 as compared to a 5 percent decline in homelessness among the general population. <b>Resolution Strategies:</b> Leverage private sector skills, know-how, and best practices among grass roots organizations, neighborhood groups, and local community agencies to enable partnerships that foster a “no wrong door” philosophy as Veterans access an increasing array of federal-community programs and services. • Drive and enable close cooperation between VA Medical Centers and HUD’s local Continuum of Care systems. • Continued strong interagency collaboration resulting in successful policies and procedures such as Housing First, Rapid Re-Housing, Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH), and Supportive Services for Veterans and Families (SSVF) are critical to achieving the reduction achieved thus far.							
Percent of visitors to VA’s website that indicated that they are satisfied/highly satisfied with information presented (OPIA)	N/Av	N/Av	67%	67%	74%	73%	80%
Increase percent of Veterans aware of using benefits, reached through advertising and marketing efforts (OPIA)	N/Av	N/Av	N/Av	5%	15%	10%	15%
Number of Material Weaknesses (OIT)	4	1	1	1	1	1	0
Percent of milestones achieved towards deployment and implementation of a paperless disability claims processing system <b>(Supports Agency Priority Goal)</b> (OIT)	N/Av	N/Av	100%	100%	100%	100%	100%
Percent of milestones achieved in deploying and implementing the Veterans Relationship Management System (VRMS) <b>(Supports Agency Priority Goal)</b> (OIT)	N/Av	N/Av	30%	70%	97%	100%	100%
Percent of milestones achieved in deploying and implementing the Virtual Lifetime Electronic Record (VLER) <b>(Supports Agency Priority Goal)</b> (OIT)	N/Av	N/Av	88%	60%	100%	100%	100%
Percent of VA IT projects delivering functionality on 6 month or less intervals (OIT)	N/Av	89.00%	89%	80%	76%	80%	80%



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
The enterprise VA American Customer Service Index for internal customer satisfaction with VA IT services (OIT)	N/Av	67%	71.0%	73%	69%	74%	76%
<b>Causes:</b> • Emerging national communication strategy for IT customers • Significant changes in operations within the service delivery organization <b>Resolution Strategies:</b> • Organizational and functional alignment of National Service Desk (NSD) • Analysis of emerging software solutions to improve NSD performance • Analysis of staffing workforce models							
Percent of employees in mission critical and key occupations who participated in a competency-based training program within the last 12 months (HRA) *HRA will continue working with customers to determine which occupations are considered mission critical	N/Av	20%	45%	50%	42.2%	55%	75%
<b>Causes:</b> • Goals were established without benefit of a baseline. • Due to training and travel reductions, training opportunities have decreased. Although virtual opportunities exist for some Mission Critical Occupations (MCOs), learning can be compromised if the participant is not removed from the work environment making virtual training a less attractive option for learning by MCO employees. <b>Resolution Strategies:</b> • Consider current level a baseline and re-establish target of closer to 50%. • Establish baselines for each mission critical occupation and Human Capital Strategic Planning strategy to address gaps e.g., design and provide consultant services to tailor skill/competency gap planning efforts for each MCO owner, implement MCO skill gap metrics for each MCO including leadership positions for 2014, and measure progress via HRstat quarterly reviews. • VA will continue to look at ways to improve employee' learning experiences in competency-based training opportunities.							
Percent of Title 5 employees hired through competitive examining process within 80 days	64%	46%	48.0%	51.0%	66.0%	55%	75%
Percentage of VA employees who are Veterans (HRA)	30%	31%	32%	32%	32%	35%	40%
Weighted Satisfaction Index related to: (1) timeliness of legal services (VA client-organization-centered) (2) responsiveness of legal services (VA client-organization-centered) (3) tort processing times (Veteran-centered), and (4) Office of General Counsel employee satisfaction	N/Av	N/Av	baseline	89.7%	90.9%	89.7%	95.0%
Average number of months to process VA regulations (OGC) (1) These targets are "stretch goals" because they accelerate individual project completion dates from Departmental standards of 22.4 months and 10.8 months, respectively. The strategic and interim goals are identical because actual processing times cover multi-years and are measured as performance data only when rulemakings are completed.							
-Requiring advance notice and public comment (2-stage)	19.4	19.6	19.5	19.9	19.7	19.6	19.6
-Without advance notice and public comment (1-stage)	7.8	7.5	7.4	7.3	7.2	7.5	*7.5



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
Percent of current year (CY) electricity consumption generated with renewable energy sources (OAEM) **The Office of Asset Enterprise Management (OAEM) develops VA policy that governs the Department's Capital Asset Management. Policy execution is done by VA's business lines (Veterans Health Administration, Veterans Benefits Administration, and National Cemetery Administration), and annual performance results are reported by OAEM.	5%	7%	5%	13%	TBD	15%	16%
Percent of Veterans or beneficiaries who contacted VA Debt Management Center's toll-free phone line without a busy signal. (OM)	N/Av	5%	74%	90%	99%	95%	98%
Commercial Small Business Payment Timeliness (% of Small Businesses Paid within 15 days of receipt of proper documentation. (OM)	N/Av	N/Av	N/Av	87%	95%	91%	92%
Overall Commercial Vendor Payment Timeliness (% of commercial Vendors Paid within 15 days of receipt of proper documentation) (OM)	N/Av	N	N/Av	51%	86%	91%	92%



## Performance Measures by Program

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
Office of Inspector General							
Performance Measures							
Number of reports (audit, inspection, evaluation, contract review, and CAP reports) issued that identify opportunities for improvement and provide recommendations for corrective action	235	263	301	299	349	275	300
Number of arrests, indictments, convictions, criminal complaints, pretrial diversions, and administrative sanctions	2,250	1,929	1,939	2,683	2,491	1,900	2,300
Monetary benefits (dollars in millions) from audits, investigations, contract reviews, inspections, and other evaluations	\$2,931	\$1,914	\$7,122	\$3,477	\$3,589	\$1,500	\$2,000
Return on investment (monetary benefits divided by cost of operations in dollars) Beginning in 2009, the cost of operations for the Office of Healthcare Inspections, whose oversight mission results in improving the health care provided to Veterans rather than saving dollars, is not included in the return on investment calculation (see OIG's September 2011 <i>Semiannual Report to Congress</i> , page 5, <a href="http://www.va.gov/oig/publications/semiannual-reports.asp">www.va.gov/oig/publications/semiannual-reports.asp</a> )	38 to 1	20 to 1	76 to 1	36 to 1	36 to 1	15 to 1	20 to 1
Percentage of:							
Prosecutions successfully completed	94%	97%	99%	94%	94%	94%	95%
Recommendations implemented within 1 year to improve efficiencies in operations through legislative, regulatory, policy, practices, and procedural changes in VA	94%	86%	87%	87%	81%	90%	95%
Recommended recoveries achieved from postaward contract reviews	N/Av	N/Av	100%	100%	100%	96%	98%
Causes: • VA Administrations and staff offices do not take the necessary actions to implement recommendations within the performance measures guidelines. In some instances, Administrations and staff offices do not initiate any effort until after the 1-year period has elapsed despite quarterly status requests by OIG to VA offices on implementation efforts. Resolution Strategies: • OIG's goal is for all report recommendations to be implemented within 1 year of report issuance to improve VA programs and operations for the benefit of Veterans, their families, and taxpayers. Despite the best efforts of VA Administrations and staff offices to achieve their implementation plans, timelines to complete actions are often delayed. VA should initiate efforts in a more timely fashion to achieve the 1-year milestone for recommendation implementation.							
OIG Customer satisfaction survey scores (based on a scale of 1 - 5, where 5 is high):							
Investigations	4.9	4.9	4.9	4.9	4.95	4.5	5.0
Audits and Evaluations	4.0	4.0	4.4	4.0	3.9	4.0	5.0
Healthcare Inspections	4.7	4.6	4.6	4.4	4.5	4.3	5.0
Contract Review	4.6	4.7	4.8	4.7	4.7	4.2	5.0





## Dropped Measures

Organization/Program/Measure (Key Measures in Bold)	Past Fiscal Year Results				2013		Strategic Targets
	2009	2010	2011	2012 (Final)	Results	Targets	
<i>Medical Care Programs</i>							
<b>Non-institutional, long-term care average daily census</b>	113,254	109,923	113,254	103,923	N/A	N/A	N/A
Percent of milestones completed leading to the use of genomic testing to inform the course of care (prevention, diagnosis, or treatment) of patients with mental illness (including PTSD, schizophrenia, and mood disorders)	45%	42%	45%	42%	N/A	N/A	N/A



## Performance Summaries by Program

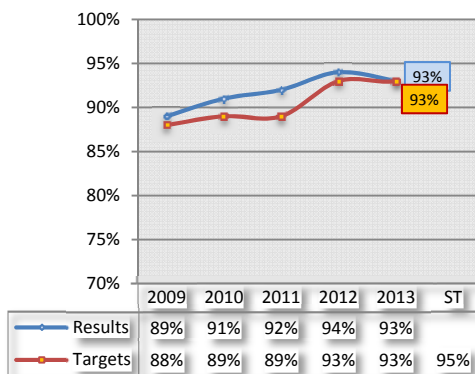
VA's Strategic Plan identifies the Department's goals, objectives, and performance measures for a 5-year period. Specific performance targets that will be used to monitor, assess, and report on progress toward the strategic goals are shown in the Performance Trends as "Strategic Targets (ST)."

### Medical Services

#### Key Measure

#### PREVENTION INDEX V

##### Performance Trends



- (1) Actual data are final
- (2) The 2008 results is PI III. The 2009 and 2011 results are PI IV.
- (3) ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

VA is committed to data accuracy for reporting on the clinical quality of care. Sampling of the patient population for evaluation of the quality of care indicators for the Clinical Practice Guidelines Index (CPGI) and the Prevention Index (PI) are done through a standardized sampling framework by a statistician. Data are then abstracted through trained, third party, contracted staff members (External Peer Review Program) who review the medical record for the quality metrics VA tracks.

##### Impact on Veterans

#### Desired Direction



This measure is an indicator of how well VA promotes healthy lifestyle changes such as immunizations, hyperlipidemia, smoking cessation, and early screening for cancer.

A higher score means that VA-treated Veterans are receiving prevention care and are taking the necessary steps to develop or maintain healthy lifestyles.

#### How VA Leadership Uses Results Data

Monitoring and tracking PI results helps VA medical staff with early identification of disease risk and intervention for risky behaviors. VA medical staff also do the following:

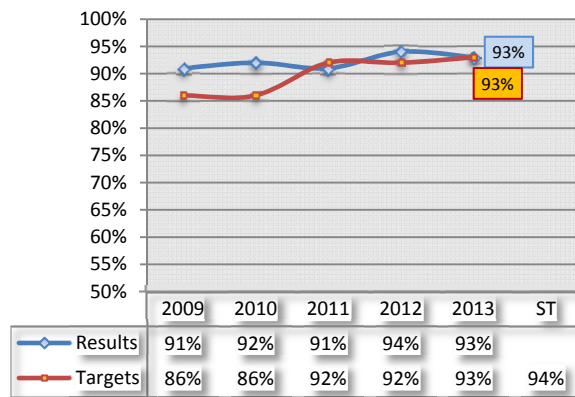
- Target education, immunization programs, and clinic access to prevent or limit potential disabilities resulting from these activities and/or diseases.
- Identify patients in need of prevention screening for cancer.
- Help identify cancers before the Veteran develops symptoms, and provide the opportunity for earlier intervention.
- In addition, as a matter of policy and practice, VA targets all outpatients for its prevention measures with the goal of promoting and maintaining a healthy population.



## Key Measure

### CLINICAL PRACTICE GUIDELINES INDEX IV

#### Performance Trends



- (1) Actual data are final  
 (2) The 2008 numbers are Clinical Practice Guidelines Index (CPGI) II. The 2009, 2010, and 2011 numbers are CPGI III.  
 (3) ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

VA is committed to data accuracy for reporting on the clinical quality of care. Sampling of the patient population for evaluation of the quality of care indicators for CPGI and the PI are done through a standardized sampling framework by a statistician. Data are then abstracted through trained, third party, contracted staff members (External Peer Review Program) who review the medical record for the quality metrics VA tracks.

#### Impact on Veterans

##### Desired Direction



This measure is an indicator of how well VA performs regarding early identification and treatment of potentially disabling or deadly diseases such as acute myocardial infarction, inpatient congestive heart failure, hypertension, diabetes, and pneumonia.

The index focuses primarily on the care provided to inpatients and is used to assess the quality of health care being delivered to its patients in accordance with industry standards.

#### How VA Leadership Uses Results Data

Data are used by leadership to do the following:

- Identify and assess opportunities for early identification of acute and potentially disabling chronic diseases.
- Identify opportunities for managing entire chronic disease populations.
- Provide interventions based on clinical practice guidelines.

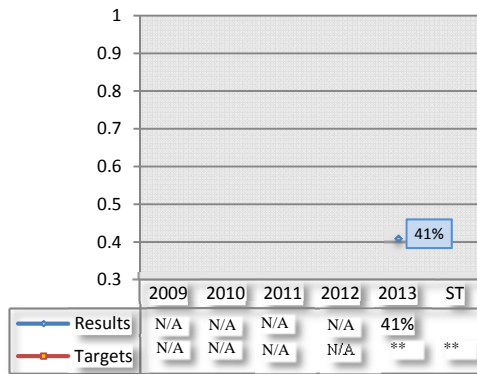
Overall, CPGI data enable VA to target patient and employee education, focus on disease management, and provide access to care to prevent or limit the effects of potentially disabling diseases. The goal of disease management is to improve the quality of life for Veterans.



## Key Measure

### PERCENT OF NEW PRIMARY CARE APPOINTMENTS COMPLETED WITHIN 14 DAYS OF APPOINTMENT CREATION DATE

#### Performance Trends



\*Actual data is an estimate. Final data are expected in November 2013.

\*\*Because measurement methods changed, no targets were established during the 2013 baseline year

#### Impact on Veterans

##### Desired Direction



Delivery of primary care is critical to preventive health care and timely disease identification and management.

A visit to a primary health care provider is also a patient's point of entry for specialty care. As such, timely access to primary health care services is critical to providing high-quality care to Veterans.

#### How VA Verifies Results Data for Accuracy

VA's Veterans Health Information Systems and Technology Architecture (VistA) scheduling software automatically captures the date the appointment is initially created and the date the appointment is completed. Facility VistA reports enable local managers to find and correct errors. Multiple other access data elements are available for cross-referencing performance. VA's data are published on the VHA Support Service Center (VSSC) Web site on the 5<sup>th</sup> and 20<sup>th</sup> of each month.

VSSC utilizes several mechanisms to audit and verify the accuracy of data. For example, data are tested with user groups in the field and reconciled with the data source and other products and reports internal and external to VSSC.

#### How VA Leadership Uses Results Data

Leadership uses this information to make assessments of clinic function and resource decisions. VA clinic leaders use the results to manage day-to-day clinic operation activities that improve patient access.

The results are compared across medical centers and clinics. One of the ways VA drives improvements is by identifying high performers and sharing their best practices with other facilities.

VA also uses the results to examine variability among medical centers and clinics. If a facility is performing poorly, VA takes action to improve performance.

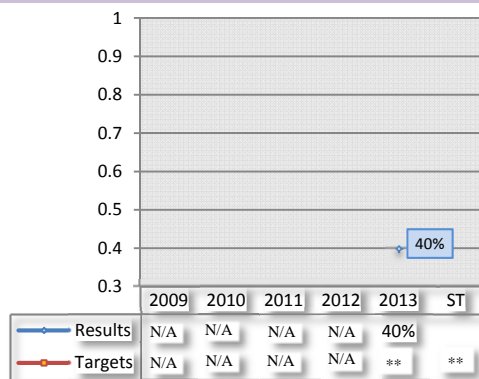
After the results of a VHA sponsored study became available this year, the measurement methods used for this measure changed. New methods were utilized and new baselines were established in 2013. For this reason, no target was set in 2013, and the data is not comparable to 2012.



## Key Measure

### PERCENT OF NEW SPECIALTY CARE APPOINTMENTS COMPLETED WITHIN 14 DAYS OF THE APPOINTMENT CREATION DATE

#### Performance Trends



\*Actual data is an estimate. Final data are expected in November 2013.

\*\*Because measurement methods changed, no targets were established during the 2013 baseline year.

#### How VA Verifies Results Data for Accuracy

VA's VistA scheduling software automatically captures the date the appointment is initially created and the date the appointment is completed. Facility VistA reports enable local managers to find and correct errors. Multiple other access data elements are available for cross-referencing performance. VA's data are published on the VSSC Web site on the 5<sup>th</sup> and 20<sup>th</sup> of each month.

VSSC utilizes several mechanisms to audit and verify the accuracy of data. For example, data are tested with user groups in the field and reconciled with the data source and other products and reports internal and external to VSSC.

#### Impact on Veterans

##### Desired Direction



Specialty care appointments are the vehicle by which VA treats Veterans with diseases and disabilities requiring specialized medical, rehabilitation, surgical, or other unique resources.

Timely access to VA medical staff and facilities is therefore critical to those Veterans in need of specialty care.

#### How VA Leadership Uses Results Data

Leadership uses this information to make assessments of clinic function and resource decisions. VA clinic leaders use the results to manage day-to-day clinic operation activities that improve patient access.

The results are compared across medical centers and clinics. One of the ways VA drives improvements is by identifying high performers and sharing their best practices with other facilities.

VA also uses the results to examine variability among medical centers and clinics. If a facility is performing poorly, VA takes action to improve performance.

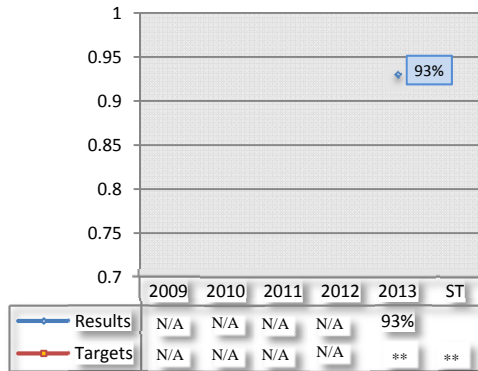
After the results of a VHA sponsored study became available this year, the measurement methods used for this measure changed. New methods were utilized and new baselines were established in 2013. For this reason, no target was set in 2013, and the data is not comparable to 2012.



## Key Measure

### PERCENT OF ESTABLISHED PRIMARY CARE APPOINTMENTS COMPLETED WITHIN 14 DAYS OF THE DESIRED DATE

#### Performance Trends



\*Actual data is an estimate. Final data are expected in November 2013.

\*\*Because measurement methods changed, no targets were established during this baseline year.

#### Impact on Veterans

##### Desired Direction



Delivery of primary care is critical to preventive health care and timely disease identification and management.

A visit to a primary health care provider is also a patient's point of entry for specialty care. As such, timely access to primary health care services is critical to providing high-quality care to Veterans.

#### How VA Leadership Uses Results Data

Leadership uses this information to make assessments of clinic function and resource decisions. VA clinic leaders use the results to manage day-to-day clinic operation activities that improve patient access.

The results are compared across medical centers and clinics. One of the ways VA drives improvements is by identifying high performers and sharing their best practices with other facilities.

VA also uses the results to examine variability among medical centers and clinics. If a facility is performing poorly, VA takes action to improve performance.

After the results of a VHA sponsored study became available this year, the measurement methods used for this measure changed. New methods were utilized and new baselines were established in 2013. For this reason, no target was set in 2013, and the data is not comparable to 2012.

#### How VA Verifies Results Data for Accuracy

Schedulers enter one reference point (the Veterans Appointment Desired Date) and VA's VistA scheduling software automatically captures the second reference point (time of the scheduled appointment). Scheduler performance for entry of desired date is regularly audited. Facility VistA reports enable local managers to correct data entry errors. Multiple other access data elements are available for cross-referencing performance. VA's data are published on the VSSC Web site. Wait time data are published to the VSSC Web site on the 5<sup>th</sup> and 20<sup>th</sup> of each month.

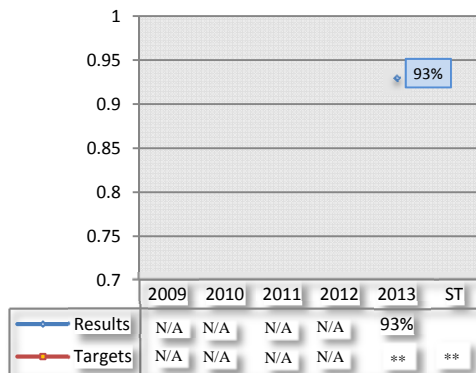
VSSC also utilizes several mechanisms to audit and verify the accuracy of data. For example, data are tested with user groups in the field and reconciled with the data source and other products and reports internal and external to VSSC.



## Key Measure

### PERCENT OF ESTABLISHED SPECIALTY CARE APPOINTMENTS COMPLETED WITHIN 14 DAYS OF THE DESIRED DATE

#### Performance Trends



\*Actual data is an estimate. Final data are expected in November 2013.

\*\*Because measurement methods changed, no targets were established during this baseline year.

#### How VA Verifies Results Data for Accuracy

Schedulers enter one reference point (the Veterans Appointment Desired Date) and VA's VistA scheduling software automatically captures the second reference point (time of the scheduled appointment). Scheduler performance for entry of desired date is regularly audited. Facility VistA reports enable local managers to correct data entry errors. Multiple other access data elements are available for cross-referencing. VA's data are published on the VSSC Web site. Wait time data are published to the VSSC Web site on the 5<sup>th</sup> and 20<sup>th</sup> of each month.

VSSC utilizes several mechanisms to audit and verify the accuracy of data. For example, data are tested with user groups in the field and reconciled with the data source and other products and reports internal and external to VSSC.

#### Impact on Veterans

##### Desired Direction



VA tracks wait times for Veterans being seen in its 50 highest volume clinics with the goal of enhancing quality of care by ensuring service is delivered when the Veteran wants and needs to be seen.

#### How VA Leadership Uses Results Data

VA uses the results of this measure to manage process improvement activities that improve patient access. Leadership also uses this information to make resource decisions. The results are compared across medical centers and clinics. One of the ways VA drives improvements is by identifying high performers and sharing their best practices with other facilities.

VA also uses the results to examine variability among medical centers and clinics. If a facility is performing poorly, VA takes action to improve performance.

After the results of a VHA sponsored study became available this year, the measurement methods used for this measure changed. New methods were utilized and new baselines were established in 2013. For this reason, no target was set in 2013, and the data is not comparable to 2012.

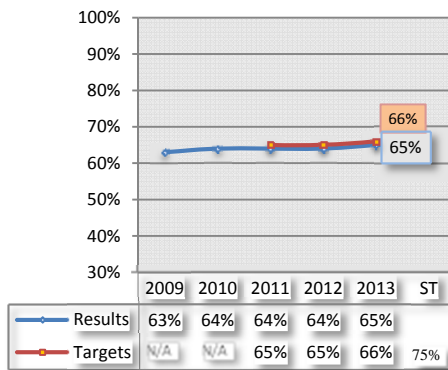




## Key Measure

### PERCENT OF PATIENTS RATING VA HEALTH CARE AS 9 OR 10 ON A SCALE FROM 0 TO 10 (INPATIENT)

#### Performance Trends



(1) Actual data through June 2013. Final data are expected in January 2014.

(2) VHA transitioned to a new questionnaire in 2009 and to a new survey sample in 2010. The questionnaire and methodology have remained consistent since 2010, thus allowing for trendable results. Trending with prior years is not valid. On the 0 to 10 scale, 0 represents the worst hospital and 10 represent the best hospital.

(3) ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

Data are collected through the VA-issued Consumer Assessment of Healthcare Plans and Systems (CAHPS). Information gathered measures Veterans' perceptions of VA health care. The CAHPS survey is administered using a standardized, documented, consistent methodology. Patients are randomly selected for inclusion in the CAHPS sample from the population of eligible patients each month. Results are weighted to accurately account for population size differences across the system and varying rates of non-response to the survey.

#### Impact on Veterans

##### Desired Direction



Veterans who receive VA care are entitled to health care that includes emotional support, education, shared decision-making, safe environments, family involvement, respect, and management of pain and discomfort.

The Veteran's level of overall satisfaction is impacted by the extent to which his or her needs are met. Satisfaction is therefore a key indicator of how well VA meets these expectations. This measure addresses how well these expectations are met in the *inpatient* setting.

#### How VA Leadership Uses Results Data

A key strategic goal is providing Veterans with personalized, proactive, and patient-driven care. VA leadership uses results from this measure to optimize the design of services and products based of Veteran's needs, preferences, and perspectives. The results are compared across medical centers and clinics. One of the ways VA drives improvements is by identifying high performers and sharing their best practices with other facilities.

Specialized reports such as Attributable Effects identify "key drivers" of the Overall Rating of VA Healthcare. Staff uses these results to identify opportunities for changing and improving the personalized delivery model of care.

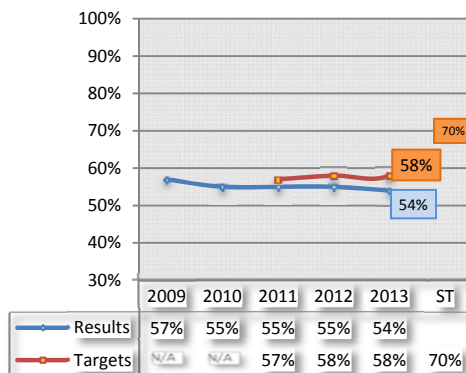




## Key Measure

### PERCENT OF PATIENTS RATING VA HEALTH CARE AS 9 OR 10 ON A SCALE FROM 0 TO 10 (OUTPATIENT)

#### Performance Trends



(1) Actual data through June 2013. Final data are expected in January 2014.

(2) VHA transitioned to a new questionnaire in 2009 and to a new survey sample in 2010. The questionnaire and methodology have remained consistent since 2010, thus allowing for trendable results. Trending with prior years is not valid. On the 0 to 10 scale, 0 represents the worst hospital and 10 represents the best hospital

(3) ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

Data are collected through the VA-issued CAHPS. Information gathered measures Veterans' perceptions of VA health care.

The CAHPS survey is administered using a standardized, documented, consistent methodology. Patients are randomly selected for inclusion in the CAHPS sample from the population of eligible patients each month. Results are weighted to accurately account for population size differences across the system and varying rates of non-response to the survey.

#### Impact on Veterans

##### Desired Direction



Veterans who receive VA care are entitled to health care that includes emotional support, education, shared decision making, safe environments, family involvement, respect, and management of pain and discomfort.

The Veteran's level of overall satisfaction is impacted by the extent to which his or her needs are met. Satisfaction is therefore a key indicator of how well VA rises to these expectations. This measure addresses how well these expectations are met in the *outpatient* setting.

#### How VA Leadership Uses Results Data

A key strategic goal is providing Veterans with personalized, proactive, and patient-driven care. VA leadership uses results from this measure to optimize the design of services and products based of Veteran's needs, preferences, and perspectives. The results are compared across medical centers and clinics. One of the ways VA drives improvements is by identifying high performers and sharing their best practices with other facilities.

Specialized reports such as Attributable Effects identify "key drivers" of the Overall Rating of VA Healthcare. Staff uses these results to identify opportunities for changing and improving the personalized delivery model of care.

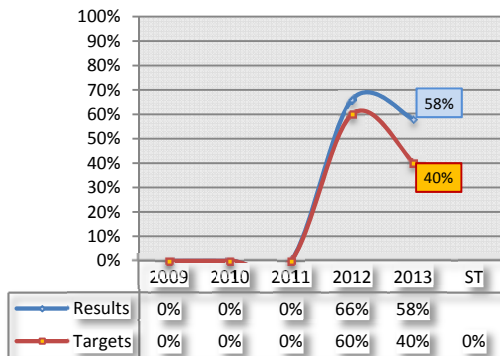


## Benefit Services

### Key Measure

**Percent of disability Compensation and Pension Pending Inventory that is More Than 125 Days Old**

#### Performance Trends



Actual data are as of October 2013  
ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

Data extracted from VBA systems of record (including Benefits Delivery Network, VETSNET, and VBMS) are captured electronically through a fully automated reporting process and imported into an EDW.

VBA's PA&I staff members assess the data monthly to detect discrepancies that would indicate an error in the automated data collection system. This review ensures accurate reporting, consistency, and absence of anomalies. All reports produced from the EDW were developed using business rules provided by each of VBA's business lines.

#### Impact on Veterans

##### Desired Direction



VBA's goal is to process all compensation and pension rating claims within 125 days of receipt. This will ensure all Veterans receive a timely decision on their claim.

The VBA backlog of 66 percent at the end of 2012, decreased to 58 percent in 2013.

#### How VA Leadership Uses Results Data

VA leadership uses data results to manage the compensation and pension programs and to implement performance strategies such as training needs, quality enhancement opportunities, improved procedures, changes in policy to improve timeliness, workload realignment, and staffing levels.

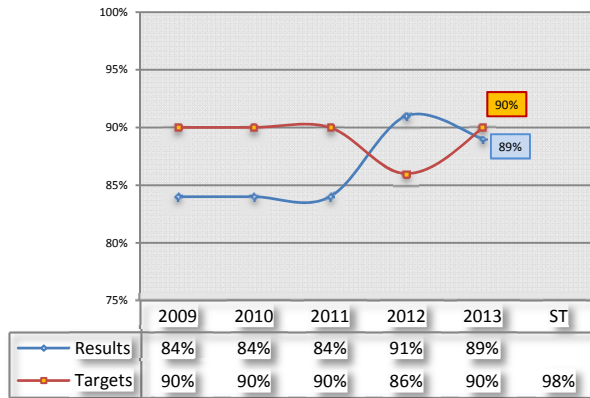
To achieve processing efficiencies that will enable VA to reduce the claims backlog and improve decision quality, VA is employing a synchronized and integrated transformation strategy that incorporates people, process and technology initiatives. See the major accomplishments for details.



## Key Measure

### NATIONAL ACCURACY RATE FOR COMPENSATION ENTITLEMENT CLAIMS

#### Performance Trends



- (1) Actual final data  
(2) ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

VBA Compensation Service's quality staff is trained by experts through the Quality Review Team (QRT) Challenge training sessions. In 2013, VBA held 6 QRT Challenge sessions to educate and expand the quality assurance staff.

Compensation Service conducts Systematic Technical Accuracy Reviews (STAR). STAR quality teams conduct reviews of claims completed by the regional offices.

Using a random sample of claims generated by VBA's Performance Analysis & Integrity (PA&I) staff, completed cases are selected for review and sent to the STAR quality assurance staff on a monthly basis. The staff members thoroughly review the completed cases ensuring accuracy, quality, and consistency of rating and authorization issues. A coded spreadsheet database identifies the type of error and how it should be corrected.

#### Impact on Veterans

##### Desired Direction



Veterans are entitled to an accurate decision on their compensation claims. Monitoring accuracy helps ensure that VA provides the correct level of benefit to the Veteran. Over the past two fiscal years VBA has seen a steady increase in the national accuracy rate for compensation claims. Increase in claims accuracy can lead to increased Veterans' satisfaction with their initial rating decisions.

#### How VA Leadership Uses Results Data

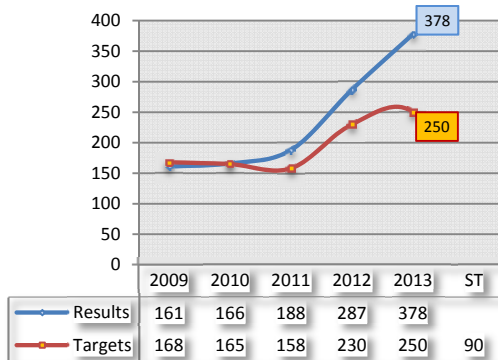
VBA's leadership is committed to the continued increase of the national accuracy rate. Higher quality will ensure better, more efficient service to Veterans and contribute to VBA's goal of eliminating the claims backlog by 2015. Leadership and the quality assurance team use the national accuracy rate to track the national accuracy trend and error category trend at each individual station. The national accuracy rate helps the quality assurance staff determine if training or clarification of policy guidance is needed to meet monthly quality goals. VBA anticipates the accuracy rate will continue to increase with the introduction of quality review teams in each regional office and the use of issue-based error analysis at the local and national level.



## Key Measure

### Average Days to Complete (ADC) – Compensation Entitlement Claims

#### Performance Trends



Actual data are as of October 2013

ST = Strategic Target

Targets from 2009 – 2012 are combined Compensation and Pension targets

#### Impact on Veterans

##### Desired Direction



VBA's goal is to process, on average, all compensation rating claims 90 days from receipt. This will ensure all Veterans receive a timely decision on their claim.

The VBA ADC of 287 days during 2012, increased to 378 days in 2013 due to the agency's focus on eliminating claims older than 1 year from its inventory. In the long run this will pay off since the pending inventory is coming down, which will eventually result in timelier decisions for Veterans.

#### How VA Verifies Results Data for Accuracy

Data extracted from VBA systems of record (including Benefits Delivery Network, VETSNET, and VBMS) are captured electronically through a fully automated reporting process and imported into an EDW.

VBA's PA&I staff members assess the data monthly to detect discrepancies that would indicate an error in the automated data collection system. This review ensures accurate reporting, consistency, and absence of anomalies. All reports produced from the EDW were developed using business rules provided by each of VBA's business lines.

#### How VA Leadership Uses Results Data

VA leadership uses the results to manage the compensation programs and to implement performance strategies such as training needs, quality enhancement opportunities, improved procedures, changes in policy to improve timeliness, workload realignment, and staffing levels.

To achieve processing efficiencies that will enable VA to reduce the claims ADC and improve decision quality, VA is employing a synchronized and integrated transformation strategy that incorporates people, process and technology initiatives. See the major accomplishments for details.

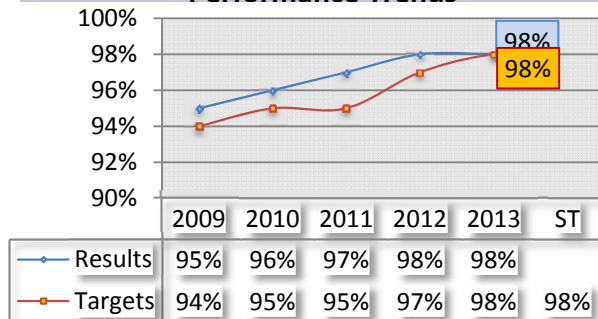
In 2013, VBA trained 1,264 new claims processors. As these employees become fully proficient in their roles, they will favorably impact processing time and lowering the ADC.



## Key Measure

### NATIONAL ACCURACY RATE FOR PENSION MAINTENANCE CLAIMS

#### Performance Trends



(1) Actual data through 9/30/13  
(2) ST = Strategic Target

#### Impact on Veterans

##### Desired Direction



##### Status

Despite increased workload, VA has continued to improve its accuracy rate in pension maintenance work, thereby ensuring that those Veterans and survivors most in need of financial resources receive the correct benefit.

The importance of making timely payments to Veterans for pension claims is critical to helping them meet their basic financial needs.

#### How VA Verifies Results Data for Accuracy

Data are analyzed daily, and the results are tabulated monthly. Pension and Fiduciary STAR quality teams conduct performance quality and consistency reviews of claims completed by the Pension Management Centers .

Using a random sample of claims generated by VBA's PA&I staff, completed cases are selected for review and sent to the STAR staff monthly. The staff thoroughly reviews the completed cases ensuring accuracy, quality, and consistency of rating and authorization issues. A database identifies the type of each error and how it should be corrected.

#### How VA Leadership Uses Results Data

VA leadership is committed to increasing the accuracy of decisions. Based on 2013 performance results, VA expanded the four-tiered quality assurance program to improve its accuracy rate for compensation and pension claims:

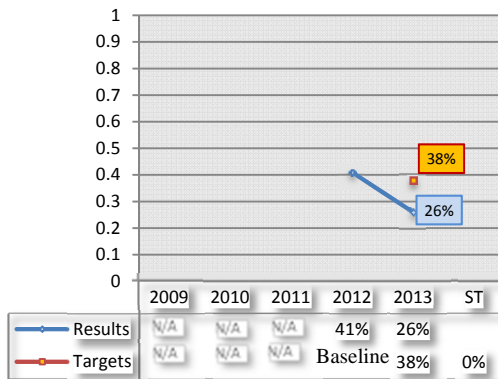
- Tier One - Accuracy; expanding the STAR staff to increase review sampling.
- Tier Two - Oversight; expanding site visit staff and review of internal controls.
- Tier Three - Special focus reviews; review of Appeals Management Center decisions, and providing review of administrative error decisions over \$25,000.
- Tier Four - Consistency; expanding rating data analyses and increasing the focus on disability decision consistency reviews.



## Key Measure

### Percent of DIC Claims Inventory Over 125 Days

#### Performance Trends



Actual data are as of October 2013  
ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

Data extracted from VBA systems of record (including Benefits Delivery Network, VETSNET, and VBMS) are captured electronically through a fully automated reporting process and imported into an EDW.

VBA's PA&I staff members assess the data monthly to detect discrepancies that would indicate an error in the automated data collection system. This review ensures accurate reporting, consistency, and absence of anomalies. All reports produced from the enterprise data warehouse were developed using business rules provided by each of VBA's business lines. Reporting requirements are regularly reviewed and modified when anomalies are noted, or when changes are made to the underlying business applications.

#### Impact on Veterans

##### Desired Direction



VBA's goal is to process all Dependency and Indemnity Compensation (DIC) claims within 125 days of receipt. This will ensure all survivors receive timely decisions on their claims.

Workload prioritization and streamlined adjudication procedures significantly decreased the backlog of DIC claims from 41 percent in 2012 to 26 percent in 2013.

#### How VA Leadership Uses Results Data

VA leadership uses the results to manage PMC programs and to implement performance strategies such as streamlined adjudication, realigned workload, and revised staffing levels.

To achieve processing efficiencies that will enable VA to reduce the claims backlog and improve decision quality, VA is employing a synchronized and integrated transformation strategy that incorporates people, process and technology initiatives.

In 2013, VBA reviewed its adjudication procedures and eliminated unnecessary procedures for DIC claims. In addition, VBA prioritized the processing of DIC claims. Taken together, these steps produced a significant performance improvement in DIC timeliness.

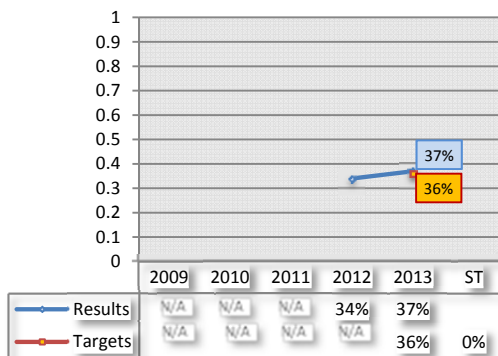




## Key Measure

### Percentage of Original and Reopened Pension Claims Inventory Pending Over 125 Days

#### Performance Trends



Actual data as of October 2013

ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

Data extracted from VBA systems of record (Benefits Delivery Network and VETSNET) are captured electronically through a fully automated reporting process and imported into an EDW.

VBA's Performance Analysis and Integrity (PA&I) staff members assess the data monthly to detect discrepancies that would indicate an error in the automated data collection system. This review ensures accurate reporting, consistency, and absence of anomalies. All reports produced from the enterprise data warehouse were developed using business rules provided by each of VBA's business lines. Reporting requirements are regularly reviewed and modified when anomalies are noted, or when changes are made to the underlying business applications.

#### Impact on Veterans

##### Desired Direction



VBA's goal is to process all Original and Reopened Pension rating claims within 125 days of receipts. This will ensure all Veterans receive timely decisions on their claims.

The backlog of Original and Reopened Pension claims increased slightly from 34 percent at the end of 2012 to 37 percent at the end of 2013.

#### How VA Leadership Uses Results Data

VA leadership uses the results to manage the pension programs and to implement performance strategies such as policies to streamline adjudication, workload realignment, and staffing levels.

To achieve processing efficiencies that will enable VA to reduce the claims backlog and improve decision quality, VA is employing a synchronized and integrated transformation strategy that incorporates people, process and technology initiatives.

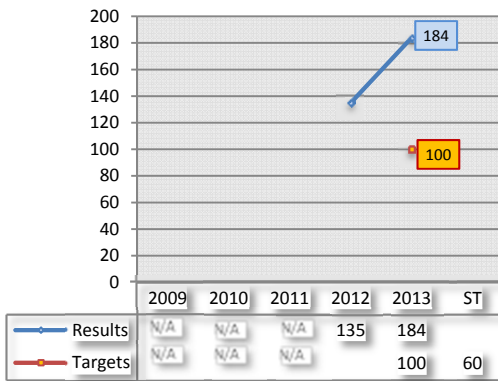
VBA is reducing the amount of PMC non-rating work as a means to free up resources for working the backlog of Pension claims and other PMC rating work. In 2013, VBA eliminated the Eligibility Verification Report, which eliminated the seasonal surge of 140,000 work items into PMCs during the January – April time frame.



## Key Measure

### Average Days to Complete Pension Maintenance Claims

#### Performance Trends



Actual data are as of October 2013

ST = Strategic Target

#### Impact on Veterans

##### Desired Direction



VBA's goal is to process all Pension Maintenance claims within 100 days of receipt. This will ensure that VA timely adjusts pension benefits for both Veterans and survivors, thereby reducing any under- or overpayment of benefits.

Average Days to Complete Pension Maintenance claims exceeds the target of 100 days.

#### How VA Leadership Uses Results Data

VA leadership uses the results to manage the pension programs and to implement performance strategies such as streamlined adjudication, realigned workload, and revised staffing levels.

To achieve processing efficiencies that will enable VA to reduce the claims backlog and improve decision quality, VA is employing a synchronized and integrated transformation strategy that incorporates people, process and technology initiatives.

VBA is reducing the amount of PMC non-rating (maintenance) work as a means to free up resources for working other PMC rating work. In 2013, VBA eliminated the Eligibility Verification Report, which eliminated the seasonal surge of 140,000 work items into PMCs during the January – April time frame.

#### How VA Verifies Results Data for Accuracy

Data extracted from VBA systems of record (including Benefits Delivery Network, VETSNET, and VBMS) are captured electronically through a fully automated reporting process and imported into an EDW.

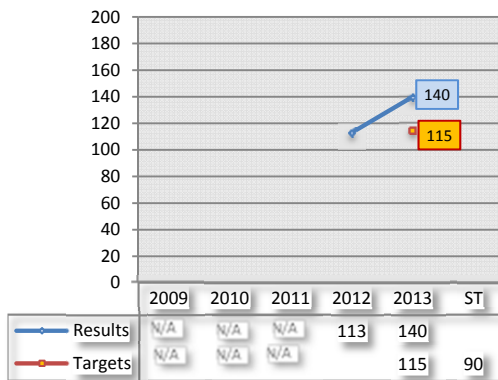
VBA's PA&I staff members assess the data monthly to detect discrepancies that would indicate an error in the automated data collection system. This review ensures accurate reporting, consistency, and absence of anomalies. All reports produced from the enterprise data warehouse were developed using business rules provided by each of VBA's business lines. Reporting requirements are regularly reviewed and modified when anomalies are noted, or when changes are made to the underlying business applications.





## Key Measure

### Average Days to Complete Original and Reopened Pension Claims



Actual data are as of October 2013

ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

Data extracted from VBA systems of record (including Benefits Delivery Network, VETSNET, and VBMS) are captured electronically through a fully automated reporting process and imported into an EDW.

VBA's PA&I staff members assess the data monthly to detect discrepancies that would indicate an error in the automated data collection system. This review ensures accurate reporting, consistency, and absence of anomalies. All reports produced from the enterprise data warehouse were developed using business rules provided by each of VBA's business lines. Reporting requirements are regularly reviewed and modified when anomalies are noted, or when changes are made to the underlying business applications.

#### Impact on Veterans

##### Desired Direction



VBA's goal is to process claims for pension from Veterans within 115 days. This goal will ensure all Veterans receive timely decisions on their claims.

Average Days to Complete Original and Reopened Pension claims increased from 113 days at the end of 2012 to 140 days at the end of 2013.

#### How VA Leadership Uses Results Data

VA leadership uses the results to manage the pension programs and to implement performance strategies such as streamlined adjudication, realigned workload, and revised staffing levels.

To achieve processing efficiencies that will enable VA to reduce the claims backlog and improve decision quality, VA is employing a synchronized and integrated transformation strategy that incorporates people, process and technology initiatives.

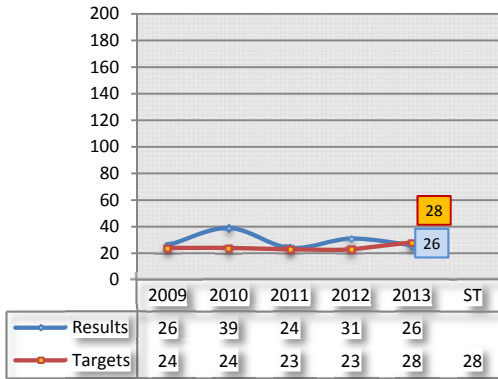
VBA is reducing the amount of PMC non-rating work as a means to free up resources for working the backlog of Pension claims and other PMC rating work. In 2013, VBA eliminated the Eligibility Verification Report, which eliminated the seasonal surge of 140,000 work items into PMCs during the January – April time frame.



## Key Measure

### AVERAGE DAYS TO COMPLETE ORIGINAL EDUCATION CLAIMS

#### Performance Trends



Actual data are as of October 2013

ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

Quality review staff members verify the data quarterly. The review uses a statistically valid sampling of cases to determine reliability of automated data reports.

There are documented procedures to guide staff responsible for verifying the accuracy of timeliness data and for entering the source data. Data are captured electronically, and reports on the Distribution of Operational Resources are automatically generated. Data are analyzed monthly and verified quarterly.

#### Impact on Veterans

##### Desired Direction



The timeliness of completing original education claims decreased from 31 days in 2012, to 26 days in 2013. Compared with 2012, Veterans waited on average 5 fewer days to receive their initial award notification and payment.

The importance of making payments to Veterans for education claims is critical to helping them meet their educational goals.

VA management uses performance results to pinpoint areas of performance weakness and then takes appropriate corrective actions.

In 2013 such actions included aggressive monitoring of workload and judicious application of overtime production capacity. VA routinely reviews claims processing policies to streamline the entire claims process based on case reviews identifying duplication of efforts and redundant or unnecessary development. Additional enhanced functionalities continue to be added to The Long Term Solution to improve Post 9/11 GI Bill claims processing system.

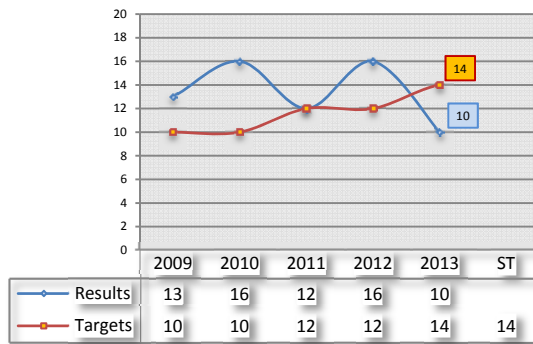
Education claims intake is cyclic with peaks at the beginning of the fall, spring, and summer. This data is used to determine when mandatory overtime may be needed to address the cyclical intake peaks.



## Key Measure

### AVERAGE DAYS TO COMPLETE SUPPLEMENTAL EDUCATION CLAIMS

#### Performance Trends



Actual data final  
ST = Strategic Target

#### Impact on Veterans

##### Desired Direction



The timeliness of completing supplemental education claims decreased from 17 days in 2012 to 10 days in 2013. Compared with 2012, Veterans waited on average 7 lesser days to receive their award notification and payment.

The importance of making timely payments to Veterans for educational claims is critical to helping them meet their educational goals.

#### How VA Uses the Results Data

##### How VA Verifies Results Data for Accuracy

Quality review staff members verify the data quarterly. The review uses a statistically valid sampling of cases to determine reliability of automated data reports.

There are documented procedures to guide staff responsible for verifying the accuracy of timeliness data and for entering the source data. Data are captured electronically, and reports on the Distribution of Operational Resources are automatically generated. Data are analyzed monthly and verified quarterly.

VA management uses performance results to pinpoint areas of performance weakness and then takes appropriate corrective actions.

In 2013, such actions included aggressive monitoring of workload and judicious application of overtime production capacity. VA routinely reviews claims processing policies to streamline the entire claims process based on case reviews identifying duplication of efforts and redundant or unnecessary development. Additional enhanced functionalities continue to be added to the Long Term Solution to improve Post 9/11 GI Bill claims processing system.

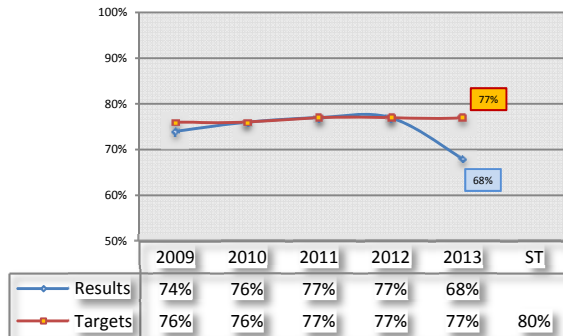
Education claims intake is cyclic with peaks at the beginning of the fall, spring, and summer. This data is used to determine when mandatory overtime may be needed to address the cyclical intake peaks.



## Key Measure

### REHABILITATION RATE (GENERAL)

#### Performance Trends



Actual data final

ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

Data are verified monthly against the source data by Vocational Rehabilitation and Employment (VR&E) Service analysts and distributed to regional offices. The regional offices review the data to ensure alignment with activities performed and that the data agree with the raw data submitted for analysis.

The data collection staff is comprised of skilled professionals trained in the proper procedures for collecting and analyzing raw data. All data collection procedures are documented and followed.

#### Impact on Veterans

##### Desired Direction



A "rehabilitated" Veteran is one who successfully completes the rehabilitation program plan and is equipped with the required skills and tools needed to obtain and maintain suitable employment or gain independence in daily living.

#### How VA Leadership Uses Results Data

VA leadership uses the rehabilitation rate to assess the performance of vocational rehabilitation counselors, counseling psychologists, VR&E officers, and regional office directors as well as the overall effectiveness of the program and services provided.

To improve performance in this area, VA leadership continues to place an increased emphasis on developing a culture that is forward looking, results driven, and Veteran-centric.

Therefore, within the context of the above-cited tenets, VBA leadership has identified several areas of emphasis:

- Providing services to enable Veterans to continue to complete the program and become career employed.
- Enhance the VetSuccess.gov Web site because it provides Veterans with a VA employment portal that employers can use to match skilled Veterans with employer staffing needs.
- Continue to sponsor career fairs geared toward today's Veteran to provide exposure to employers seeking to hire Veterans.
- Train Vocational Rehabilitation Counselors and Employment Coordinators in the best methods for preparing and placing Veterans in careers.

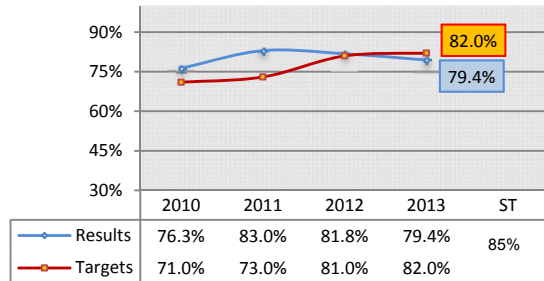
For detailed information on how this measure is calculated, please see the definitions section in Part IV.



## Key Measure

### DEFAULT RESOLUTION RATE

#### Performance Trends



Actual data are final  
ST = Strategic Target

#### Impact on Veterans

##### Desired Direction



The 2013 default resolution rate of 79.4 percent (FYTD through July) means that of the Veterans who defaulted on their VA-guaranteed loans, VA and loan servicers were able to assist 79.3 percent in either retaining ownership of their homes or in lessening the impact of foreclosure by tendering a deed in lieu of foreclosure or arranging a private sale with a VA claim payment to help close the sale.

#### How VA Leadership Uses Results Data

VA uses the data to measure the effectiveness of joint servicing efforts of primary servicers and VA staff to assist Veterans in avoiding foreclosure through default resolution. Since Veterans benefit substantially from avoiding foreclosure through default resolution—and, at the same time, VA realizes cost savings—VA redesigned its data program in December 2008 to promote greater loss mitigation efforts by primary servicers.

This redesign effort included development of a new Web-enabled and rules-based "smart" system, VALERI.

VALERI's standardized servicing criteria, which are on par or ahead of industry norms, enable instant access to acquisition and claim payment status and make it easier for servicers to work and communicate with VA.

#### How VA Verifies Results Data for Accuracy

VA-guaranteed loan servicing personnel are skilled and trained in proper data reporting procedures, which ensures documented data reporting procedures are followed.

VA Loan Administration staff is also skilled and trained in loan servicing and proper data reporting procedures. All servicing and data reporting procedures are documented in both the VA Servicer and VA Loan Technician guides. These guides are updated regularly based on loan servicing industry best practices.

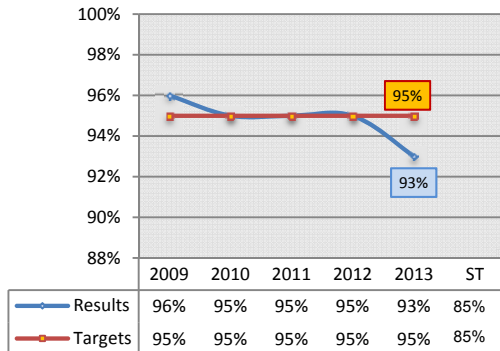
Submitted loan servicing data are verified through sampling against loan data. The accuracy of loan servicing data is also established via the Veterans Affairs Loan Electronic Reporting Interface (VALERI) system's business rules screening process. Additionally, procedures for making changes to previously entered loan data are documented and followed.



## Key Measure

### RATE OF HIGH CLIENT SATISFACTION RATINGS ON SERVICES DELIVERED (INSURANCE)

#### Performance Trends



Actual data are final  
ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

VA reviews and tabulates the client satisfaction survey responses each month per written guidelines. VA validates the results by re-entering randomly selected monthly responses to determine if similar results are calculated.

#### Impact on Veterans

##### Desired Direction



VA's Insurance Program achieves high levels of client satisfaction by providing quality service and implementing and administering insurance programs that meet the needs of Veterans and their beneficiaries. Results over past years have consistently confirmed that Veterans' insurance needs are being met.

#### How VA Leadership Uses Results Data

Leadership analyzes the results of the monthly client satisfaction surveys of 11 insurance services and addresses any problems identified. One question the surveys ask is, "What could we do better?" VA takes action on the survey results and the comments, including reviewing processes and implementing refresher training on customer service as needed.

Insurance Customer Service Center. Client satisfaction declined due to longer telephone wait times and blocked call rates. VA management took several measures to increase phone coverage, including putting trainees on the phones for half of the day and recruiting Insurance volunteers to answer phones during busy times.



## Additional Performance Information

### Program Evaluations

In 2012, VR&E launched a skill certification test for Vocational Rehabilitation Counselors and Counseling Psychologists within VBA. The skill certification test is an internal professional-level examination which measures the possession of technical and procedural knowledge along with situational judgment associated with the journey-level counselor position. On July 30, 2013, the skills test was administered to 293 counselors resulting in an 86 percent pass rate. The VRCs that did not pass will receive additional training and are eligible to re-take the test in 6 months.

### New Policies, Procedures, or Process Improvements and Other Important Results

In December 2012, VBA eliminated the need for pension beneficiaries to file an annual eligibility verification report (EVR). The work associated with annually sending and processing an estimated 150,000 EVRs, including the suspension and reinstatement of benefits, burdened pension beneficiaries and significantly disrupted the ability of the Veterans Benefits Administration (VBA) to timely work pension, DIC, and burial benefit claims during the annual EVR season (January through April). VBA will continue to amend awards based on changes in unreimbursed medical expenses and reported income. However, by eliminating the EVR requirement, VBA was able to redirect resources within the PMCs to address the backlog of pension and DIC claims.

VBA was able to eliminate the annual EVR requirement because it worked with the Social Security Administration (SSA) and Internal Revenue Service (IRS) to improve interagency data sharing for purposes of verifying income eligibility for its needs-based programs. Under the improved process, VBA verifies claimants' income at the time of receipt of the applications for pension benefits. By providing VBA with the capability to verify the income of pension applicants at the time of application, the data-sharing initiative will reduce pension overpayments, preserve the pension program for those Veterans and survivors with genuine need, and allow VBA to implement a less burdensome post-award auditing program in lieu of the current Income Verification Match. VBA began weekly data exchanges with IRS and SSA in June 2013 and began training the PMCs on its use in September 2013.

In March 2013, VBA reviewed the policies and procedures applicable to the adjudication of DIC claims to identify obstacles to timely processing. It determined that we could quickly grant many DIC claims with little or no additional development, and that certain claim processing steps were redundant and appropriate for elimination. As a result of these efforts, on March 22, 2013, VBA issued Fast Letter 13-04 (FL 13-04), *Simplified Processing of Dependency and Indemnity Compensation (DIC) Claims*, which instructs VBA field staff on the procedures to follow when processing claims. Among other things, the new procedures require screening of claims at the intake point and limited or no development of additional evidence when information in VBA systems supports granting benefits.

Public Law 112-154, Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012, was enacted on August 6, 2012, with implementation on August 6, 2013. If an individual lives in an area





where a natural disaster is declared by the Governor and/or the President of the United States, then he/she may qualify for the additional assistance covered in the law. The law allows the Department VR&E program to provide two additional months of Employment Adjustment Allowance (EAA) payments to Veterans who have been displaced by a natural or other disaster. In addition, the law allows for a waiver of the annual limitation on new independent living programs for a Veteran displaced, or otherwise adversely affected by, a natural or other disaster.



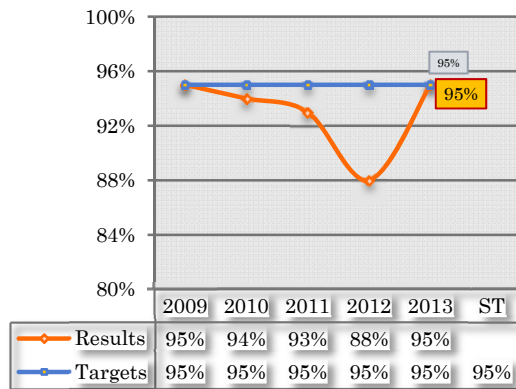


## Burial Services

### Key Measure

#### PERCENT OF GRAVES IN NATIONAL CEMETERIES MARKED WITHIN 60 DAYS OF INTERMENT

##### Performance Trends



Actual data are final  
ST = Strategic Target

##### How VA Verifies Results Data for Accuracy

National cemetery employees are trained and skilled at entering data into NCA's Burial Operations Support System (BOSS). Data are collected and verified by NCA Central Office employees who are skilled and trained in data collection and analysis techniques. Data are verified by sampling against source interment data in BOSS.

##### Impact on Veterans

##### Desired Direction



The amount of time it takes to mark the grave after an interment is extremely important to Veterans and their families. The headstone or marker is a lasting memorial that serves as a focal point not only for present-day survivors, but also for future generations. In addition, having a permanent headstone or marker often brings a sense of closure to the grieving process.

##### How VA Leadership Uses Results Data

NCA field and Central Office employees have online access to monthly and fiscal year-to-date tracking reports on the timeliness of marking graves in national cemeteries. Increasing the visibility of and access to this information reinforces the importance of marking graves in a timely manner.

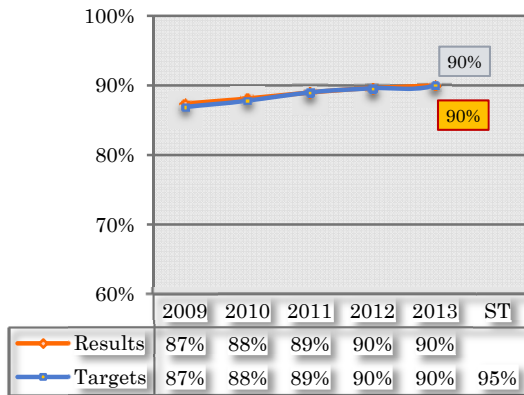
This information is also used to drive process improvements, such as the development of NCA's local inscription program. This program further improves NCA's ability to provide symbolic expressions of remembrance by improving the timeliness of the grave-marking process.



## Key Measure

### PERCENT OF VETERANS SERVED BY A BURIAL OPTION WITHIN A REASONABLE DISTANCE (75 MILES) OF THEIR RESIDENCE

#### Performance Trends



Actual data are final  
ST = Strategic Target

#### Impact on Veterans

##### Desired Direction



By the end of 2013, over 19 million Veterans and their families had reasonable access to a burial option.

One of VA's primary objectives is to ensure that the burial needs of Veterans and eligible family members are met. Having reasonable access to this benefit is integral to realizing this objective.

#### How VA Leadership Uses Results Data

VA analyzes census data to determine areas of the country that have the greatest number of Veterans not currently served by a burial option. VA also analyzes census data to identify rural areas of the country that are not currently served by a burial option.

#### How VA Verifies Results Data for Accuracy

VA staff is trained and skilled in proper procedures for calculating the number of Veterans who live within the service area of cemeteries that provide a first interment burial option. Changes to this measure are documented and reported through VA's annual Performance and Accountability Report and VA Monthly Performance Reports.

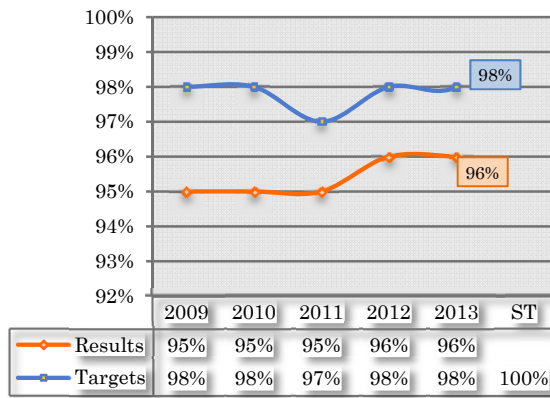
This information is used in planning for new national cemeteries, for gravesite expansion projects to extend the service life of existing national cemeteries, and for potential sites for establishing National Veterans Burial Grounds. This information is also used for prioritizing funding requests for State and Tribal Veterans Cemetery grants.



## Key Measure

### PERCENT OF RESPONDENTS WHO RATE THE QUALITY OF SERVICE PROVIDED BY THE NATIONAL CEMETERIES AS EXCELLENT

#### Performance Trends



ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

Data for this measure are collected by an independent contractor. The contractor provides detailed written documentation of how the survey methodology delivers an acceptable level of accuracy system-wide and by individual cemetery.

The next of kin and servicing funeral directors at all national cemeteries with at least one interment during the fiscal year are surveyed. Data are accurate at a 95 percent confidence interval.

#### Impact on Veterans

##### Desired Direction



Performance targets for cemetery service goals are set high consistent with expectations of the families of individuals who are interred and other visitors to the cemetery. High-quality, courteous, and responsive service to Veterans and their families is reflected in VA's 2013 satisfaction rating of 99 percent.

#### How VA Leadership Uses Results Data

NCA's annual Survey of Satisfaction with National Cemeteries is the source of data for this key measure. The survey collects data from family members and funeral directors who have recently received services from a national cemetery.

These data are shared with VA Central Office, Memorial Service Networks (MSN), and national cemetery managers who use the data to improve the quality of service provided at national cemeteries.

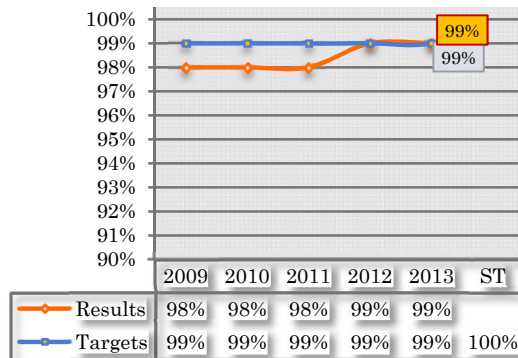
To ensure that all visitors to national cemeteries receive excellent customer service, NCA has instituted several measures to address customer concerns. Survey data are annually reviewed and used to form action plans at national cemeteries. Best Practices are identified and shared throughout the national cemetery system and incorporated into national cemetery employee training curriculum.



## Key Measure

### PERCENT OF RESPONDENTS WHO RATE NATIONAL CEMETERY APPEARANCE AS EXCELLENT

#### Performance Trends



ST = Strategic Target

#### How VA Verifies Results Data for Accuracy

Data for this measure are collected by an independent contractor. The contractor provides detailed written documentation of how the survey methodology delivers an acceptable level of accuracy system-wide and by individual cemetery.

The next of kin and servicing funeral directors at all national cemeteries with at least one interment during the fiscal year are surveyed. Data are accurate at a 95 percent confidence interval.

#### Impact on Veterans

##### Desired Direction



Performance targets for cemetery service goals are set high consistent with expectations of the families of individuals who are interred as well as other visitors.

High-quality, courteous, and responsive service to Veterans and their families is reflected in VA's 2013 satisfaction rating of 99 percent.

#### How VA Leadership Uses Results Data

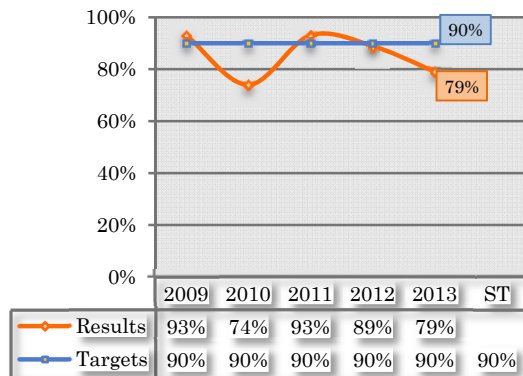
NCA's annual Survey of Satisfaction with National Cemeteries is the source of data for this key measure. The survey collects data from family members and funeral directors who have recently received services from a national cemetery. These data are shared with NCA managers at Central Office, MSNs, and national cemeteries who use the data to improve the quality of service provided at national cemeteries.



## Key Measure

**PERCENT OF APPLICATIONS FOR HEADSTONES AND MARKERS THAT ARE PROCESSED WITHIN 20 DAYS FOR THE GRAVES OF VETERANS WHO ARE NOT BURIED IN NATIONAL CEMETERIES**

### Performance Trends



Actual data are final.  
ST = Strategic Target

### Impact on Veterans

#### Desired Direction



The amount of time it takes to mark the grave after an interment is extremely important to Veterans and their families. The headstone or marker is a lasting memorial that serves as a focal point not only for present-day survivors, but also for future generations.

In addition, there is often a sense of closure to the grieving process when the grave is marked. A high level of performance in this area is important as roughly 70 percent of headstones and markers furnished by VA are for Veterans buried in cemeteries other than a VA national cemetery.

### How VA Verifies Results Data for Accuracy

Employees in the National Cemetery Administration's (NCA) Memorial Programs Service are trained and skilled at entering data into NCA's Automated Monument Application System (AMAS). Paper applications are scanned and entered electronically into AMAS.

Applications received electronically, either by fax or Internet, are automatically entered into AMAS. Data are verified by sampling against source data in AMAS.

### How VA Leadership Uses Results Data

Monthly and fiscal-year-to-date reports are shared with NCA managers, employees and other interested parties, such as Veterans Service Organizations, to ensure visibility of this important initiative and demonstrate VA's commitment to serving Veterans in a timely manner.

NCA managers use these data to manage application processing workload and to identify and correct potential problems with headstone and marker application processing. Data are comparable between years, enabling NCA and its stakeholders to assess program progress and effectiveness.



## Additional Performance Information

### Program Evaluations

In August 2008, VA completed an independent and comprehensive program evaluation of the full array of burial benefits and services that the Department provides to Veterans and their families in accordance with 38 USC 527. The evaluation was performed by ICF International to provide VA with an objective assessment of the extent to which VA's program of burial benefits has reached its stated goals and the impact that this program has had on the lives of Veterans and their families.

The evaluation showed that 85 percent of Veterans prefer either a casket or cremation burial option, affirming that VA is meeting the burial needs of Veterans and their families by providing these options at national cemeteries. The evaluation also validated VA policies that consider Veterans living within 75 miles of a national or State Veterans cemetery with available first interment gravesites for either casketed or cremated remains to be adequately served with a burial option within a reasonable distance of their home. Major recommendations addressed the need to continue building new national cemeteries and supporting State cemetery development to serve Veterans nationwide and to consider a new Veteran population threshold of 110,000 Veterans within a 75-mile area for establishing new national cemeteries.

VA used this study as a starting point to develop new burial policies that resulted in a 2011 proposal to change current policy and lower the Veteran population threshold required to establish a new national cemetery from 170,000 to 80,000. Based on the new policies, five new national cemeteries will be built, thus increasing the percent of Veterans served by a burial option. In addition, VA will build five columbarium-only satellite cemeteries in urban locations where utilization rates are low and where time/distance barriers are cited by our clients more frequently on customer satisfaction surveys.

### New Policies, Procedures, or Process Improvements and Other Important Results

#### Improving Burial Access

In 2013, NCA continued activities to identify and acquire suitable properties to establish National Veterans Burial Grounds, as part of the Rural Veterans Burial Initiative, and to establish new cremation cemetery facilities under the Urban Initiative. Suitable properties for many of the planned sites under these initiatives have been identified. NCA is meeting with landholders and performing due diligence to ensure that the land meets legal and environmental requirements in addition to ensuring that these properties are suitable for use in terms of water and other resource needs. NCA plans to establish eight National Veterans Burial Grounds to serve the burial needs of rural Veterans in states in which there currently is not a national cemetery with available gravesites for first interments. Under the Urban Initiative, NCA plans to establish five cremation cemetery facilities to better serve Veterans in densely populated urban areas where distance to the existing national cemetery has shown to be a barrier to access.

In 2013, NCA completed construction projects to extend burial operations at Sitka (AL), Fort Smith (AR), Riverside (CA), Sarasota (FL), Massachusetts, Fort Custer (MI), Fort McPherson (NE), Dayton (OH), Eagle Point (OR), Roseburg (OR), Washington Crossing (PA), Black Hills (SD), Chattanooga (TN), and Houston (TX) National Cemeteries. In addition to building, operating, and maintaining national cemeteries, VA



also administers the Veterans Cemetery Grants Program, which provides grants to states and tribal organizations for up to 100 percent of the cost of establishing, expanding, or improving State Veterans Cemeteries. Increasing the availability of State and Tribal Organizations Veterans Cemeteries is a means to provide a burial option to those Veterans who may not have reasonable access to a national cemetery.

In 2013, VA awarded a total of 18 cemetery grants to State and Tribal Organizations; two grants to establish new Veterans cemeteries and nine grants to expand existing cemeteries to ensure there are no interruptions in burial service for Veterans and their families. In addition, VA awarded a total of seven grants to state cemeteries to fund improvements to physical infrastructure and cemetery appearance. In 2013, VA traveled to participate in the dedication of three new State and Tribal Veterans Cemeteries.

### **Memorials**

VA continues to furnish headstones and markers for the graves of Veterans in VA national cemeteries, national cemeteries administered by the Department of the Army and the Department of the Interior, columbaria niche inscriptions at Arlington National Cemetery, State Veterans cemeteries, and private cemeteries around the world. In 2013, VA processed nearly 359,000 applications for headstones and markers for placement in national, state, other public or private cemeteries. Since 1973, VA has furnished more than 12 million headstones and markers for the graves of Veterans and other eligible persons.

In 2013, VA issued more than 654,000 Presidential Memorial Certificates, bearing the President's signature, to convey to the family of the Veteran, the gratitude of the Nation for the Veteran's service. To convey this gratitude, it is essential that the certificate be accurately inscribed. The accuracy rate for inscription of Presidential Memorial Certificates provided by VA is consistently 99 percent or better.

### **Client Satisfaction**

In 2013, 96 percent of survey respondents (family members and funeral directors combined) agreed that the quality of service provided by the national cemeteries was excellent. This result demonstrates VA's continued commitment to providing a dignified and respectful environment at all national cemeteries to honor the service and sacrifice Veterans have made.

The willingness to recommend a national cemetery to Veteran families during their time of need is an expression of loyalty toward that national cemetery. In 2013, 99 percent of survey respondents (family members and funeral directors who recently received services from a national cemetery) indicated they would recommend the national cemetery to Veteran families in their time of need.

### **National Shrines**

In 2013, National Shrine Commitment projects were initiated at 24 national cemeteries and two soldier's lots. These projects raised, realigned, and cleaned more than 137,000 headstones and markers and renovated gravesites in more than 280 acres. These efforts resulted in 70 percent of headstones and/or markers in national cemeteries are at the proper height and alignment; 84 percent of headstones, markers, and niche covers are clean and free of debris or objectionable accumulations; and 94 percent of gravesites in national cemeteries had grades that were level and blended with adjacent grade levels. Ninety-nine percent of survey respondents (family members and funeral directors combined) rated the overall appearance of national cemeteries as excellent in 2013.





NCA's Organizational Assessment and Improvement Program identifies and prioritizes improvement opportunities and enhances program accountability by providing managers and staff at all levels with a cemetery-specific rating or score based upon a uniform, NCA-wide set of standards. As part of the program, assessment teams conduct site visits to all national cemeteries on a rotating basis to validate performance reporting. In 2013, NCA teams conducted 10 site visits assessing 16 national cemeteries. Since the program's inception in 2004, 92 site visits assessing 123 of NCA's 131 national cemeteries have been conducted.

### **Operational Improvements**

In 2013, NCA continued to broaden the scope of its First Notice of Death (FNOD) Office by working with representatives from VHA and NCA FNOD to integrate BOSS and AMAS, the major sources of Date of Death data within NCA, into the existing Master Veteran Index. Having this data integrated provides authoritative dates of death that have been verified through the NCA FNOD processes. Information NCA provides is shared with VHA Enrollment Systems at all the VAMC sites of record. The uploading of the Date of Death will automatically terminate any active prescriptions on file and upon notification of a date of death, allow the VAMC staff to cancel a patient's future appointments. In 2013, NCA processed nearly 706,000 notices of death, avoiding nearly \$57 million in overpaid benefits.



## **Key Measures Data Table**

The following discussion explains how VA's Key Measures help achieve VA's goal of caring for Veterans and their families. It includes the definition, measure validation, data source and frequency, data verification/quality, and data limitations.

### **Prevention Index V**

**Key Performance Measure Definition:** The Prevention Index is an average of nationally recognized primary prevention and early detection interventions for nine diseases or health factors that significantly determine health outcomes. This measure is an indicator of how well VA promotes healthy lifestyle changes such as immunizations, hyperlipidemia, smoking cessation, and early screening for cancer. Each indicator's numerator is the number of patients in the random sample who actually received the intervention they were eligible to receive. The denominator is the number of patients in the random sample who were eligible to receive the intervention. As prevention indicators become high performers, they are replaced with more challenging indicators. This Index is now in Phase V.

**Measure Validation:** The Prevention Index V demonstrates the degree to which VHA provides evidence-based clinical interventions to Veterans seeking preventive care in VA. The measure targets elements of preventive care that are known to have a positive impact on the health and well-being of our patients.

**Data Source and Frequency:** VHA biostatisticians design and obtain a statistically valid random sample of medical records for review. The findings of the review are used to calculate the index scores. Data are reported quarterly with a cumulative average determined annually.

**Data Verification/Quality:**

- **Accuracy:** Data collection staff is skilled and trained in gathering statistically valid random samples of medical records for review.
- **Reliability/Comparability:** Data can be used to identify potentially disabling chronic diseases. VA can then provide education, disease management, and care access to limit the effects and improve the quality of life for the Veteran.
- **Consistency:** Collection standards are documented/available/used.

**Data Limitations:** None

### **Clinical Practice Guidelines Index IV**

**Key Performance Measure Definition:** The Clinical Practice Guidelines Index is a composite measure comprised of the evidence and outcomes-based measures for high-prevalence and high-risk diseases that have significant impact on overall health status. The indicators within the Index are comprised of several clinical practice guidelines in the areas of ischemic heart disease, hypertension, diabetes mellitus, major depressive disorder, schizophrenia, and tobacco use cessation. The percent of compliance is an average of the separate indicators. As clinical indicators become high performers, they are replaced with more challenging indicators. The Index is now in Phase IV.

**Measure Validation:** The CPGI IV demonstrates the degree to which VHA provides evidence-based clinical interventions to Veterans seeking care in VA. The measure targets elements of care that are known to have a positive impact on the health of our patients who suffer from commonly occurring acute and chronic illnesses.

**Data Source and Frequency:** VHA biostatisticians design and obtain a statistically valid random sample of medical records for review. The findings of the review are used to calculate the index scores. Data are reported quarterly with a cumulative average determined annually.



#### Data Verification/Quality:

- Accuracy: Data collection staff is skilled and trained in gathering statistically valid random samples of medical records for review.
- Reliability/Comparability: Data can be used to identify potentially disabling chronic diseases. VA can then provide education, disease management and care access to limit the effects and improve the quality of life for the Veteran.
- Consistency: Collection standards are documented/available/used.

Data Limitations: None

#### **Percent of new primary care appointments completed within 14 days of the appointment creation date.**

Key Performance Measure Definition: This measure tracks the percentage of time that Veterans who are new to Primary Care have a completed appointment within 14 days of the appointment creation date. The percent is calculated using the numerator, which is all appointments completed within 14 days of create date, and the denominator, which is all completed appointments in primary care clinics as posted in the scheduling software during the review period.

Measure Validation: Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.

Data Source and Frequency: The source of this data is the Veterans Health Information Systems and Technology Architecture (VistA) scheduling software. The data are collected monthly.

#### Data Verification/Quality:

- Accuracy: Data collection staff is skilled and trained in proper procedures of the scheduling package. The scheduling package entry procedures are also documented and followed. Edits to previously entered data are documented and followed.
- Reliability/Comparability: VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times for primary care appointments by improving efficiencies and addressing missed opportunities.
- Consistency: Source data are well defined and documented; definitions are available and used.

Data Limitations: None

#### **Percent of established primary care appointments completed within 14 days of the desired date**

Key Performance Measure Definition: This measure tracks the time in days between the desired date entered for an established patient appointment and the date on which the appointment is actually completed. The percent is calculated using the numerator, which is all appointments completed within 14 days of desired date, and the denominator, which is all completed appointments in primary care clinics as posted in the scheduling software during the review period.

Measure Validation: Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.

Data Source and Frequency: The source of this data is VistA scheduling software. The data are collected monthly.

#### Data Verification/Quality:

- Accuracy: Data collection staff is skilled and trained in proper procedures of the scheduling package. The scheduling package entry procedures are also documented and followed. Edits to previously entered data are documented and followed.
- Reliability/Comparability: VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times for primary care appointments by improving efficiencies and addressing missed opportunities.



- **Consistency:** Source data are well defined and documented; definitions are available and used.

Data Limitations: None

**Percent of new specialty care appointments completed within 14 days of the appointment create date.**

Key Performance Measure Definition: This measure tracks the percentage of time that Veterans who are new to Primary Care have a completed appointment within 14 days of the appointment creation date. The percent is calculated using the numerator, which is all appointments completed within 14 days of create date, and the denominator, which is all completed appointments in specialty care clinics as posted in the scheduling software during the review period.

Measure Validation: Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.

Data Source and Frequency: Reported monthly via VistA scheduling software.

Data Verification/Quality:

- Accuracy: Data collection staff is skilled and trained in proper procedures of the scheduling package. The scheduling package entry procedures are also documented and followed. Edits to previously entered data are documented and followed.
- Reliability/Comparability: VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times for specialty care appointments by improving efficiencies and addressing missed opportunities.
- **Consistency:** Source data are well defined and documented; definitions are available and used.

Data Limitations: None

**Percent of established specialty care appointments completed within 14 days of the desired date**

Key Performance Measure Definition: This measure tracks the time in days between the desired date entered for an established patient appointment and the date on which the appointment is actually completed. The percent is calculated using the numerator, which is all appointments completed within 14 days of desired date, and the denominator, which is all completed appointments in specialty care clinics as posted in the scheduling software during the review period.

Measure Validation: Provides a reliable measure of timeliness of access to care as well as responsiveness to the patient's stated needs.

Data Source and Frequency: Reported monthly via VistA scheduling software.

Data Verification/Quality:

- Accuracy: Data collection staff is skilled and trained in proper procedures of the scheduling package. The scheduling package entry procedures are also documented and followed. Edits to previously entered data are documented and followed.
- Reliability/Comparability: VA uses the results of this measure to inform and drive quality improvement activities that promote shorter waiting times for specialty care appointments by improving efficiencies and addressing missed opportunities.
- **Consistency:** Source data are well defined and documented; definitions are available and used.

Data Limitations: None

**Percent of patients rating VA health care as 9 or 10 (on a scale from 0 to 10): Inpatient and Outpatient**

Key Performance Measure Definition: Data are gathered for these measures via a VA survey that is applied to a representative sample of inpatients and a sample of outpatients. The denominator is the total number of patients sampled who answered the question, "Overall, how would you rate your



quality of care?" The numerator is the number of patients who rated their care as 9 or 10 (on a scale from 0 to 10).

Measure Validation: Satisfaction surveys are the most effective way to determine patient expectations and provide a focused critique on areas for improvement.

Data Source and Frequency: Data is obtained from the Survey of Health Experiences of Patients.

Surveys are conducted as follows: Inpatient - Semi-annually; Outpatient – Quarterly;

Data Verification/Quality:

- Accuracy: The data collection process is documented and followed when surveys are received.
- Reliability/Comparability: Data collected are used by VHA to measure patient satisfaction. The results are used to inform and drive quality improvement.
- Consistency: Collection standards are documented, available, and used.

Data Limitations: None

### **Percent of disability compensation claims pending inventory that is more than 125 days**

Key Performance Measure Definition: The percentage of disability compensation claims pending greater than 125 days is measured by the number of days pending for each disability compensation claim requiring a rating decision. This includes the end products for: initial disability compensation claims; supplemental compensation routine future examinations; reviews due to hospitalization; and Nehmer-related cases. The measure is calculated by dividing the total number of claims pending 125 days or greater by the total number of cases pending.

Measure Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.

Data Source and Frequency: The source of this data is VETSNET Operations Reports (VOR). Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.

Data Verification/Quality:

- Accuracy: Data are captured electronically through an automated process; data are reviewed for anomalies; procedures for making changes to previously entered data are documented and followed.
- Reliability/Comparability: Data can be used to make decisions such as those regarding realignment of resources; data are released monthly; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available.
- Consistency: Collection standards are documented and programmed electronically; source data are well defined and documented; and data are reported monthly.

Data Limitations: None

### **Percent of disability compensation and pension claims pending inventory that is more than 125 days**

Key Performance Measure Definition: The percentage of disability compensation and pension claims pending greater than 125 days is measured by the number of days pending for each disability compensation and pension claim requiring a rating decision. This includes the end products (EPs) for: initial disability compensation claims; supplemental compensation claims; routine future examinations; reviews due to hospitalization; Nehmer-related cases; original/reopened pension claims, and original and reopened dependency and indemnity compensation claims. The measure is calculated by dividing the total number of claims pending 125 days or greater by the total number of cases pending.

Measure Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.



Data Source and Frequency: The source of this data is VETSNET Operations Reports (VOR). Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.

Data Verification/Quality:

- Accuracy: Data are captured electronically through an automated process; data are reviewed for anomalies; procedures for making changes to previously entered data are documented and followed.
- Reliability/Comparability: Data can be used to make decisions such as those regarding realignment of resources; data are released monthly; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available.
- Consistency: Collection standards are documented and programmed electronically; source data are well defined and documented; and data are reported monthly.

Data Limitations: None

### **Compensation entitlement claims – average days to complete (ADC)**

Key Performance Measure Definition: The ADC is the elapsed time, in days, from receipt of a compensation claim in the Department of Veterans Affairs to closure of the case by issuing a rating decision. This includes the EPs for: initial disability compensation claims; supplemental compensation claims; routine future examinations; reviews due to hospitalization; and Nehmer-related cases. The measure is calculated by dividing the total number of days recorded from receipt to completion (issuing a decision) by the total number of cases completed.

Measure Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.

Data Source and Frequency: The source of this data is the Veterans Services Network Operations Reports (VOR). Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.

Data Verification/Quality:

- Accuracy: Data are captured electronically through an automated process; data are reviewed for anomalies; procedures for making changes to previously entered data are documented and followed.
- Reliability/Comparability: Data can be used to make decisions such as those regarding realignment of resources; data are released monthly; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available.
- Consistency: Collection standards are documented and programmed electronically; source data are well defined and documented; and data are reported monthly.

Data Limitations: None

### **National accuracy rate - compensation entitlement claims**

Key Performance Measure Definition: Processing accuracy for compensation claims that normally require a disability or death rating determination. Review criteria include: addressing all issues, Veterans Claims Assistance Act (VCAA)-compliant development, correct decision, correct effective date, and correct payment rate if applicable. Currently includes the EPs for: initial disability compensation claims; supplemental compensation claims; routine future examinations; and Nehmer-related cases. Accuracy rate is determined by dividing the total number of cases with no errors in any of these categories by the number of cases reviewed.



**Measure Validation:** This measure assesses the quality of claims processing and assists VBA management in identifying improvement opportunities and training needs.

**Data Source and Frequency:** Findings from Compensation Service Systematic Technical Accuracy Review (STAR) are entered in an Intranet database maintained by the Philadelphia LAN Integration Team. These results are downloaded monthly to the Performance Analysis and Integrity (PA&I) information storage database. Case reviews are conducted daily. The review results are tabulated monthly on a monthly, 3-month, and 12-month rolling basis.

**Data Verification/Quality:**

- **Accuracy:** Data accuracy is maintained through the following mechanisms: Data analysis staff is skilled and trained in the proper procedures; data entry procedures are documented and followed; data are sampled against source data through quality reviews; and procedures for making changes to previously entered data are documented and followed.
- **Reliability/Comparability:** Data can be used to make decisions such as those regarding training needs; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available.
- **Consistency:** Collection sampling standards are documented, available, and used; source data are well defined and documented; data reporting schedules are documented, distributed, and followed.

**Data Limitations:** There is a slight chance of an erroneous entry by the end user.

### **Percentage of Original and Reopened Pension Claims Inventory Pending Over 125 Days**

**Key Performance Measure Definition:** The percentage of original and reopened claims pending greater than 125 days is measured by the number of days pending for each pension claim requiring a rating decision. This includes the EPs: Original Disability Pension and Reopened Pension. The measure is calculated by dividing the total number of claims pending 125 days or greater by the total number of claims pending.

**Measure Validation:** This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.

**Data Source and Frequency:** The source of this data is VOR. Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.

**Data Verification/Quality:**

- **Accuracy:** Data are captured electronically through an automated process; data are reviewed for anomalies; procedures for making changes to previously entered data are documented and followed.
- **Reliability/Comparability:** Data can be used to make decisions such as those regarding realignment of resources; data are released monthly; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available.
- **Consistency:** Collection standards are documented and programmed electronically; source data are well defined and documented; and data are reported monthly.

**Data Limitations:** None

### **Percentage of DIC Claims Inventory Pending Over 125 Days**

**Key Performance Measure Definition:** The percentage of DIC claims inventory pending greater than 125 days is measured by the number of days pending for each DIC claim. Includes the EPs: Original Service-Connected Death Claim; Reopened Service-Connected Death Claims; the measure is calculated by





dividing the total number of such claims pending 125 days or greater by the total number of claims pending.

Measure Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.

Data Source and Frequency: The source of this data is VOR. Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.

Data Verification/Quality:

- Accuracy: Data are captured electronically through an automated process; data are reviewed for anomalies; procedures for making changes to previously entered data are documented and followed.
- Reliability/Comparability: Data can be used to make decisions such as those regarding realignment of resources; data are released monthly; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available.
- Consistency: Collection standards are documented and programmed electronically; source data are well defined and documented; and data are reported monthly.

Data Limitations: None

#### **Average Days to Complete Original and Reopened Pension Claims**

Key Performance Measure Definition: Elapsed time, in days, from receipt of a claim in the Department of Veterans Affairs to closure of the case by issuing a decision. This includes the EPs: Original Disability Pension; and Reopened Pension. The measure is calculated by dividing the total number of days recorded from receipt to completion (issuing a decision) by the total number of cases completed.

Measure Validation: This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.

Data Source and Frequency: The source of this data is VOR. Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.

Data Verification/Quality:

- Accuracy: Data are captured electronically through an automated process; data are reviewed for anomalies; procedures for making changes to previously entered data are documented and followed.
- Reliability/Comparability: Data can be used to make decisions such as those regarding realignment of resources; data are released monthly; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available.
- Consistency: Collection standards are documented and programmed electronically; source data are well defined and documented; and data are reported monthly.

Data Limitations: None

#### **Average Days to Complete Pension Maintenance Claims**

Key Performance Measure Definition: Elapsed time, in days, from receipt of a claim in the Department of Veterans Affairs to closure of the case by issuing a decision. Maintenance claims are those claims not requiring a rating decision. This includes the EPs: Hospital Adjustment; Dependency; Income Adjustment; Income Verification Match; Eligibility Determinations; and Pre-determination claims. The measure is calculated by dividing the total number of days recorded from receipt to completion by the total number of cases completed.



**Measure Validation:** This measure's focus is improved service delivery to claimants. Additionally, it ensures that claimants receive the benefits to which they are entitled in a consistent and timely manner.

**Data Source and Frequency:** The source of this data is VOR. Data are collected daily as awards are processed. Results are tabulated at the end of the month and annually.

**Data Verification/Quality:**

- **Accuracy:** Data are captured electronically through an automated process; data are reviewed for anomalies; procedures for making changes to previously entered data are documented and followed.
- **Reliability/Comparability:** Data can be used to make decisions such as those regarding realignment of resources; data are released monthly; data can be compared between years to assess progress or program effectiveness; and supporting documentation is maintained and readily available.
- **Consistency:** Collection standards are documented and programmed electronically; source data are well defined and documented; and data are reported monthly.

**Data Limitations:** None

**Average days to complete original and supplemental Education claims**

**Key Performance Measure Definition:** Elapsed time, in days, from receipt of a claim in the Department of Veterans Affairs to closure of the case by issuing a decision. Original claims are those for requests for an eligibility determination for an education benefit. Subsequent school enrollments and enrollment changes are considered a supplemental claim.

**Measure Validation:** Timeliness is directly related to the volume of work received, the resources available to handle the incoming work, and the efficiency with which the work can be completed, and is thus the best quantifying measure for education processing.

**Data Source and Frequency:** Education claims processing timeliness is measured by using data captured automatically through VBA's Benefits Delivery Network (BDN). This information is reported monthly through VBA's data warehouse using the Distribution of Operational Resources (DOOR) system.

**Data Verification/Quality:**

- **Accuracy:** More than half of all claims are received electronically, and date of claim is automatically determined. For claims received via U.S. Mail, imaging clerks and authorization personnel are skilled and trained in determining date of claim for manual input. Procedures for date of claim input, completion, and change are documented and followed. Timeliness is an element reviewed during the quarterly Quality Assurance review. Timeliness error rates of 3 percent or more on Quality Assurance reviews result in a recommendation of corrective refresher training. No 3rd party evaluations are conducted.
- **Reliability/Comparability:** Timeliness data are received in a timely manner to facilitate program management decisions and for other critical reporting. It is maintained in easily accessible electronic storage covering more than a decade and can be extracted in both standard and ad hoc report formats. The stored data includes both detailed and summary information to ensure reliability for decision-making.
- **Consistency:** Timeliness data are collected according to long-established, well-documented, and consistently used standards. The definitions for source data are clear and documented, and are available and used. Data reporting schedules are documented, distributed, and followed.

**Data Limitations:** The necessity for manual input of date of claim opens the possibility of data entry errors. While basic and refresher training can reduce this possibility, they cannot entirely eliminate it. Although quality reviews identify problems in this area, they are conducted after the fact, and individual errors cannot be detected in time to prevent their inclusion in overall data.



### **Default Resolution Rate**

Key Performance Measure Definition: This measure represents the joint efforts of VA and VA-guaranteed loan servicers in assisting borrowers with defaulted VA-guaranteed loans. The Default Resolution Rate is the percent of defaulted VA-guaranteed loans that are successfully resolved via a loss mitigation option.

Measure Validation: The primary goal of Loan Guaranty Service is to assist Veterans in purchasing, retaining, and adapting homes in recognition of their service to the Nation. The Default Resolution Rate gauges VA's and Loan Servicers' ability to assist Veterans in maintaining home ownership during times of financial hardship.

Data Source and Frequency: VA-guaranteed loan servicing data are extracted from the Veterans Affairs Loan Electronic Reporting Interface (VALERI) System. This system is used to monitor and oversee the servicing of VA-guaranteed loans. Loan servicing data are collected on a monthly basis.

#### Data Verification/Quality:

- Accuracy: VA-guaranteed loan servicing personnel are skilled and trained in proper data reporting procedures, which ensures documented data reporting procedures are followed. VA Loan Administration staff are skilled and trained in loan servicing and proper data reporting procedures. Submitted loan servicing data are verified through sampling against loan data. The accuracy of loan servicing data is also established via VALERI's business rules process. Additionally, procedures for making changes to previously entered loan data are documented and followed.
- Reliability/Comparability: VA-guaranteed loan servicing data can be used to make program decisions and can be compared between years to assess progress or program effectiveness. VA-guaranteed loan servicing data are timely and can be used to make critical policy and program decisions. Supporting loan servicing documentation is maintained and readily available.
- Consistency: VA-guaranteed loan servicing data are well defined and documented. Definitions of loan servicing data elements are available and used. Collection standards and data reporting schedules for loan servicing data are documented, available, and used.

Data Limitations: None

### **Rehabilitation Rate (General)**

Key Performance Measure Definition: The rehabilitation rate calculation is as follows: (1) the number of disabled Veterans who successfully complete VA's Vocational Rehabilitation program and acquire and maintain suitable employment and Veterans with disabilities for whom employment is infeasible but who obtain independence in their daily living with assistance from the program divided by (2) the total number leaving the program—both those rehabilitated plus discontinued cases with a plan developed in one of three case statuses (Independent Living, Rehabilitation to Employability, or Employment Services) minus those individuals who benefited from but left the program under one of three conditions: the Veteran (a) reached "maximum rehabilitation gain" due to choosing to be employed in a job that is not suitable, (b) reached "maximum rehabilitation gain" due to being unemployed but employable and not seeking employment, or not employable for medical or psychological reasons, or (c) elected to discontinue his or her VR&E plan to pursue educational goals utilizing Post-9/11 GI Bill Benefits (Chapter 33).

Measure Validation: The primary goal of the VR&E program is to assist service-disabled Veterans in becoming employable. The rehabilitation rate is the key indicator of the program's success in meeting this goal, as it represents the number of Veterans successfully reentering the workforce following completion of their VR&E program.



**Data Source and Frequency:** Data is obtained from VR&E management reports. Quality Assurance Reviews evaluate the accuracy and reliability of data and are conducted twice a month.

**Data Verification/Quality:**

- **Accuracy:** Data is collected and verified by skilled professionals trained in the proper procedures for collecting and analyzing raw data. All data collection procedures are documents and followed.
- **Reliability/Comparability:** Data are collected and compiled on a monthly basis. Data collected are used by VR&E Management, VBA Management, and Regional Offices to measure the program's success and to identify areas of concern and progress. Data can be compared between years to assess progress or program effectiveness.
- **Consistency:** The source data are well defined and documented - definitions are available and used. Data collection and distribution on a monthly basis are consistent and documented.

**Data Limitations:** There is a slight chance of an erroneous entry by the end user.

**Rate of high client satisfaction ratings on services delivered (Insurance)**

**Key Performance Measure Definition:** This measure represents the percent of insurance clients who rate different aspects of insurance services in the highest two categories, based on a 5-point scale, using data from the insurance customer survey.

**Measure Validation:** VA's insurance program uses the results of the surveys to identify opportunities for improvement in order to maintain high levels of client satisfaction by providing quality service and implementing and administering insurance programs that meet the needs of Veterans and their beneficiaries.

**Data Source and Frequency:** Insurance sends client satisfaction surveys to 40 randomly selected Veterans and beneficiaries per month for each of 11 end products.

**Data Verification/Quality:**

- **Accuracy:** Insurance Service reviews and tabulates survey responses and independently validates the results of the tabulated responses by re-entering randomly selected monthly responses in order to determine if similar results are calculated.
- **Reliability/Comparability:** Data collected are used to measure client satisfaction. VBA Insurance managers use the results of this measure to inform and drive quality improvement.
- **Consistency:** Data are collected on an on-going basis throughout the month for recording and verification. Data results are reported once per month.

**Data Limitations:** The necessity for manual input of survey data opens the possibility of data entry errors. Re-entering the data a second time helps to identify possible data entry errors.

**Percent of graves in national cemeteries marked within 60 days of interment**

**Key Performance Measure Definition:** The number of graves in national cemeteries for which a permanent marker has been set at the grave or the reverse inscription completed within 60 days of the interment divided by the number of interments, expressed as a percentage.

**Measure Validation:** The headstone or marker is a lasting memorial that serves as a focal point not only for present-day survivors but also for future generations. In addition, it may bring a sense of closure to the grieving process to see the grave marked. The amount of time it takes to mark the grave after an interment is important to Veterans and their family members.

**Data Source and Frequency:** Source: Burial Operations Support System (BOSS); data input by field station staff. Data are reported monthly.



#### Data Verification/Quality:

- Accuracy: National cemetery employees are trained and skilled at entering data into NCA's BOSS system. Data are collected and verified by NCA Central Office employees who are skilled and trained in data collection and analysis techniques. Data are verified by sampling against source interment data in BOSS.
- Reliability/Comparability: Data are used by NCA managers to identify and correct potential problems in the headstone and marker ordering, delivery, and setting process. Data are available at the beginning of each month and are available for use in GPRA reports and VA internal Monthly Performance Reviews. Data are comparable between years, enabling NCA and its stakeholders to assess program progress and effectiveness.
- Consistency: Data collection standards for this measure are automated at VA's Quantico Information Technology Center (QITC). Monthly reports are generated automatically by QITC on the first day of each month. Source data are well defined in NCA's BOSS user's guide.

Data Limitations: None

#### **Percent of applications for headstones and markers that are processed within 20 days for the graves of Veterans who are not buried in national cemeteries**

Key Performance Measure Definition: This measures the timeliness of processing applications for headstones and markers -- using NCA's Automated Monument Application System (AMAS) -- for the graves of Veterans who are not buried in national cemeteries. This percentage represents the number of headstones and markers ordered within 20 days of receipt of the application divided by the number of applications for headstones and markers received.

Measure Validation: The headstone or marker is a lasting memorial that serves as a focal point not only for present-day survivors but also for future generations. In addition, it may bring a sense of closure to the grieving process to see the grave marked. The amount of time it takes to mark the grave after an interment is important to Veterans and their family members.

Data Source and Frequency: Source: Automated Monument Application System (AMAS); data input by field station and Central Office staff. Data are reported monthly.

#### Data Verification/Quality:

- Accuracy: National cemetery employees are trained and skilled at entering and verifying data in NCA's AMAS system. Data are collected and verified by NCA Central Office employees who are skilled and trained in data collection and analysis techniques. Data are verified by sampling against dates assigned automatically by the AMAS system for source application.
- Reliability/Comparability: Data are used by NCA managers to identify and correct potential problems in the headstone and marker application processing process. Data are available at the beginning of each month and are available for use in GPRA reports and VA internal Monthly Performance Reviews. Data are comparable between years, enabling NCA and its stakeholders to assess program progress and effectiveness.
- Consistency: Data collection standards for this measure are automated at VA's Quantico Information Technology Center (QITC). Monthly reports are generated automatically by QITC on the first day of each month. Source data are well defined in NCA's AMAS user's guide.

Data Limitations: None



## **Percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence**

**Key Performance Measure Definition:** The measure is the number of Veterans served by a burial option divided by the total number of Veterans, expressed as a percentage. A burial option is defined as a first family member interment option (whether for casketed remains or cremated remains, either in-ground or in columbaria) in a national or state Veterans cemetery that is available within 75 miles of the Veteran's place of residence.

**Measure Validation:** Reasonable access to a burial option means that a first interment option (whether for casketed remains or cremated remains, either in-ground or in columbaria) in a national or state Veterans cemetery is available within 75 miles of the Veteran's place of residence. VA established a 75-mile service area standard because NCA data show that more than 80 percent of persons interred in national cemeteries resided within 75 miles of the cemetery at the time of death.

**Data Source and Frequency:** VA's VetPop2007 model, based on 2000 census data, is the source for determining the total number of Veterans and the number of Veterans served. Data are recalculated annually or as required by the availability of updated Veteran population census data. Projected openings of new national or state Veterans cemeteries and changes in the service delivery status of existing cemeteries also determine the Veteran population served.

### **Data Verification/Quality:**

- **Accuracy:** NCA staff is trained and skilled in proper procedures for calculating the number of Veterans who live within the service area of cemeteries that provide a first interment burial option. Changes to this calculation methodology or other changes to the measure are documented and reported through VA's annual Performance and Accountability Report and VA Monthly Performance Reviews. Results of a VA Office of the Inspector General audit assessing the accuracy of data used for this measure affirmed the accuracy of calculations made by NCA personnel.
- **Reliability/Comparability:** Data on this measure are used to determine potential areas of need for future national cemeteries and to guide funding decisions for state and tribal Veterans cemetery grants. Data are timely, are used in VA Monthly Performance Reviews and annual GPRA reports, and enable VA stakeholders to assess VA's progress toward meeting the burial needs of Veterans on an annual basis.
- **Consistency:** Current data sources and collection standards are well defined. Data sources and collection standards have been documented by independent program studies conducted in 2002 and 2008.

**Data Limitations:** Provides performance data at specific points in time while at the same time, Veteran demographics are constantly changing.

## **Percent of respondents who rate the quality of service provided by the national cemeteries as excellent**

**Key Performance Measure Definition:** The number of survey respondents who agree or strongly agree that the quality of service received from national cemetery staff is excellent divided by the total number of survey respondents, expressed as a percentage.

**Measure Validation:** NCA strives to provide high-quality, courteous, and responsive service in all of its contacts with Veterans and their families and friends. These contacts include scheduling the committal service, arranging for and conducting interments, and providing information about the cemetery and the location of specific graves.





**Data Source and Frequency:** NCA's Survey of Satisfaction with National Cemeteries. The survey collects data from family members and funeral directors who have recently received services from a national cemetery. Data are reported annually.

**Data Verification/Quality:**

- **Accuracy:** Data are collected by an independent contractor skilled in data collection and analytical techniques. The next of kin and servicing funeral directors at all national cemeteries with at least one interment during the fiscal year are surveyed. Data are accurate at a 95 percent confidence interval.
- **Reliability/Comparability:** Data for this measure are used by VA management to inform budget formulation, for VA internal Monthly Performance Reviews and annual GPRA reports, and to enable stakeholders to assess VA's annual performance on providing quality service to Veterans and their families.
- **Consistency:** VA's current mail-out survey methodology has been in place since 2001. Data collection standards and reporting schedules are clearly defined and incorporated into a contract with the firm that conducts the survey.

**Data Limitations:** The mail-out survey provides statistically valid performance data at the national and MSN levels and at the cemetery level for cemeteries having at least 400 interments per year.

**Percent of respondents who rate national cemetery appearance as excellent**

**Key Performance Measure Definition:** This measure tracks the number of survey respondents who agree or strongly agree that the overall appearance of the national cemetery is excellent divided by the total number of survey respondents, expressed as a percentage.

**Measure Validation:** NCA will continue to maintain the appearance of national cemeteries as national shrines so that bereaved family members are comforted when they come to the cemetery for the interment, or later to visit the grave(s) of their loved one(s). Our Nation's Veterans have earned the appreciation and respect not only of their friends and families, but also of the entire country and our allies. National cemeteries are enduring testimonials to that appreciation and should be places to which Veterans and their families are drawn for dignified burials and lasting memorials.

**Data Source and Frequency:** The source of this data is NCA's Survey of Satisfaction with National Cemeteries. The survey collects data annually from family members and funeral directors who have recently received services from a national cemetery.

**Data Verification/Quality:**

- **Accuracy:** Data are collected by an independent contractor skilled in data collection and analytical techniques. The next of kin and servicing funeral directors at all national cemeteries with at least one interment during the fiscal year are surveyed. Data are accurate at a 95 percent confidence interval.
- **Reliability/Comparability:** Data for this measure are used by VA management to inform budget formulation, for VA internal Monthly Performance Reviews and annual GPRA reports, and to enable stakeholders to assess VA's annual performance on maintaining national cemeteries as national shrines.
- **Consistency:** VA's current mail-out survey methodology has been in place since 2001. Data collection standards and reporting schedules are clearly defined and incorporated into a contract with the firm that conducts the survey.

**Data Limitations:** The mail-out survey provides statistically valid performance data at the national and MSN levels and at the cemetery level for cemeteries having at least 400 interments per year.





## Assessment of Data Quality

VA's ability to accomplish its mission is dependent on the quality of its data. Each day, VA employees use data to make decisions that affect America's Veterans. Data accuracy and reliability are paramount in delivering medical care, processing benefits, and providing burial services.

### **I. Data Accuracy**

Health care delivery is arguably the most data-intensive of any business, and, accordingly, quality health data ultimately depends on the actions of thousands of clinical and administrative staff who document encounters with Veterans in VA's electronic health record, the Computerized Patient Record System (CPRS). Assuring the accuracy of clinical documentation is particularly relevant because it forms the basis of the majority of VA's health performance measures as well as all the measures of quality, safety, and productivity that we compile and share with health system leadership, clinicians, stakeholders, and the general public. Clinical documentation furthermore is the basis of diagnostic coding and billing, so accuracy and adherence to industry-wide standards are vital to maintaining public trust.

VHA launched its national Clinical Documentation Improvement (CDI) Program in April 2013, to include the publication of a CDI Program Guide and three national training sessions. The emphasis on improved clinical documentation lays the groundwork for implementation of International Classification of Diseases, 10th Edition (ICD-10) which requires even greater specificity in documentation. A VHA CDI Council has been established consisting of an interdisciplinary team with clinical and administrative expertise to ensure quality, integrity and accuracy of VHA clinical documentation for translation into coded data.

To facilitate facility reimbursement by third party payers, Health Information Management coders validate all billable encounters to ensure billable claims are as accurate and complete on the front end. Additionally, random coding audits are conducted; this year's audit indicates that accuracy of outpatient coding exceeds 95 percent, and that inpatient coding accuracy has increased from 76.6 percent last year, to 83 percent this year.

The transition to ICD10 is an industry wide event for healthcare organizations covered by Health Insurance Portability and Accountability Act by October 1, 2014. VHA has established an ICD10 Program Management Office to oversee the implementation efforts, which includes outlining training needs, software remediation, and other transition activities at the local and national level. VHA has provided 7 virtual training sessions for VA staff that currently use ICD-9, and has scheduled 12 additional sessions for the next 18 months.

VBA's data management systems have been substantially improved in recent years with such programs as the VETSNET suite of applications and other corporate data solutions. These applications, and the analytical tools associated with the data warehouse, provide leadership with more robust data and better support for information management and analysis.

Information is collected in defined formats and entered into specific fields of database records. Data are checked for completeness by system audits and manual verifications.



Certain data, such as Social Security Number, are verified with the Social Security Administration periodically. Prior to award of benefits by VBA, the Veteran's record is manually reviewed and data validated to ensure correct entitlement.

Employees are skilled and trained in the proper procedures; data entry procedures are documented and followed; data are sampled against source data through quality reviews; and procedures for making changes to previously entered data are documented and followed.

NCA determines the annual distribution of living Veterans and estimated Veteran deaths from data provided by the VA Office of the Actuary based on current census figures. NCA's methodology for estimating the percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence was reviewed in a 1999 OIG audit assessing the accuracy of the data used for this measure. Audit results showed that NCA personnel generally made sound decisions and accurate calculations in determining the percent of Veterans served by a burial option. Data were revalidated in the 2002 report entitled Volume 1: Future Burial Needs, prepared by an independent contractor as required by the Veterans Millennium Health Care and Benefits Act, P.L. 106-117.

NCA utilizes an annual mail-out survey to assess customer satisfaction with the appearance, quality of service provided, and other important aspects of VA national cemeteries. This survey is administered by an independent contractor. The next of kin and servicing funeral directors at all national cemeteries with at least one interment during the fiscal year are surveyed. Data are accurate at a 95 percent confidence interval.

NCA also utilizes an annual mail-out survey to assess customer satisfaction with VA's memorial programs. This survey is administered by an independent contractor. Data are accurate at a 95 percent confidence interval.

Performance data are captured in NCA's Burial Operations Support System (BOSS) and Automated Monument Application System (AMAS) databases. These data are entered daily by NCA personnel who are trained in cemetery and memorial benefits data collection and BOSS and AMAS data entry procedures.

Automated monthly and fiscal-year-to-date reports are provided by VA's Quantico Information Technology Center and are analyzed, verified, and distributed by trained NCA central office personnel to NCA Central Office, Memorial Service Network (MSN), and national cemetery managers. After reviewing the data for general conformance with previous report periods, headquarters staff flag and resolve any irregularities through contact with the reporting stations and comparisons with source data from the BOSS and AMAS systems.

NCA established an Organizational Assessment and Improvement Program in 2004 to identify and prioritize improvement opportunities and to enhance program accountability. As part of the program, assessment teams conduct site visits to all national cemeteries on a rotating basis to review cemetery data collection systems and verify collection methods. This review ensures that cemetery performance data are collected and reported in a manner that is accurate and valid.



## **II. Data Reliability/Comparability**

VHA directly extracts clinical data from its electronic health record as part of a national data warehousing strategy where data can be aggregated and analyzed for data quality. VHA's national systems process data through a strict set of rules and automatically reject data that fail to meet data integrity requirements. Staff located throughout the country at health care facilities review error reports, make corrections, and resubmit corrected data on a daily basis. Such bidirectional communication helps ensure that data can meet quality standards at both local and national levels.

VHA has expanded other improvement activities that focus on proactive assessment and measurement of data quality within critical clinical information domains. The results of these analyses are shared with data stewards and business stakeholders, who confirm data quality issues and their business impact and execute targeted improvement activities. 2013 accomplishments included detailed assessment of quality within the domains of Immunization, Vital Signs, Race, and Dental Record Manager.

Corporate Data Warehouse (CDW) data domain implementation activities have included iterative content validation as well as stakeholder identification, collection of meta-data and business rules, and establishment of repeatable data quality processes to identify issues with pre-release CDW data domains.

The Office of Performance Analysis and Integrity (OPA&I) assesses data for completeness, consistency, accuracy, and appropriateness of use as performance and workload management indicators. These data are extracted from VBA's systems of record, such as VETSNET, and are imported into an enterprise data warehouse.

All reports emanating from the enterprise data warehouse are developed using business rules provided by the respective VBA business lines. Supporting documentation for the enterprise data warehouse is maintained and readily available. Reporting requirements are regularly reviewed and modified when anomalies are noted, or when changes are made to the underlying business applications.

VBA leadership uses performance data to make program decisions concerning benefits processing and other organizational needs. The decision to consolidate functions such as original pension claims processing to improve service is one example of the use of performance data in the decision-making cycle. To the extent possible, performance data is comparable between years, and is routinely reported during VA's Monthly Performance Review, in annual budget submissions, and in other forums.

NCA uses data on the percent of Veterans served by a burial option within a reasonable distance (75 miles) of their residence to determine the need for future national cemeteries and to prioritize funding decisions for potential State and Tribal Organization Veterans Cemeteries. These data are comparable between years and show the impact that funding for new cemeteries has made toward serving the burial needs of Veterans.

Data from respondents to NCA's annual national cemetery client satisfaction mail-out survey are collected and reported by an independent contractor. These data are accurate at a 95 percent confidence interval at the national and MSN levels and for cemeteries having at least 400 interments per year. Data provided by this survey are reliable and are used by NCA management to develop funding



requests and determine priorities for the operation and maintenance of national cemeteries as national shrines.

Data from respondents to NCA's annual memorial programs client satisfaction mail-out survey are also collected and reported by an independent contractor. These data are accurate at a 95 percent confidence interval. Data provided by this survey are reliable and are used by NCA management to assess client satisfaction with the quality and appearance of memorial products.

### **III. Data Consistency**

Consistency and accessibility of patient data is vital to VHA daily clinical operations as well as sharing of data with the Department of Defense and other parties. In 2013, VHA updated Identity Management Business Requirements Guidance, Standard Operating Procedures, and Business Use Cases. VHA Directive 1906, *Data Quality Requirements for Healthcare Identity Management and Master Veteran Index (MVI) Functions* was updated and published.

VHA works actively on increasing the proofing level of assurance of the identities of Veterans and beneficiaries we serve to ensure security and integrity of the identities within the Master Veteran Index (MVI). Today, the level of assurance of proofing of Veterans identities at Registration and Enrollment is compliant with a National Institute of Standards and Technology (NIST), Special Publication 800-63, Level of Assurance 1. VA is expanding proofing activities to support a Level 2 identify assurance, including a credential issuance process to support self service activities and part of the issuance of the Veterans Health Identification Card (VIC), the new VIC. VHA has spent significant time and effort on improving the integrity of the MVI such as reducing and preventing duplicates. Today the number of potential duplicates has been reduced to negligible levels (less than .0001 percent).

Each VBA business line's requirements for data definitions, collection and documentation are well-documented in users' guides and manuals.

During the migration to the corporate environment for the Compensation and Pension, Vocational Rehabilitation and Employment, and Loan Guaranty Programs, reporting consistency is maintained through synchronization of the legacy and corporate data within the corporate database. Corporate reporting requirements are well-defined, but additional requirements and modifications are continually under development. As business users identify new requirements, they are documented and tested to ensure reliability.

Reports are generated on regular schedules (daily, monthly, annually) to ensure consistency between reporting periods. Data are validated monthly by all VBA business lines, and migrated into Monthly Operations Reports by OPA&I for use by VBA leadership as well as at the local level to make program and operational decisions.

Since 1999, NCA has consistently used a 75-mile standard for determining the percent of Veterans served by a burial option within a reasonable distance of their residence. NCA uses the most current VetPop model based on census data developed by the VA Office of the Actuary, to determine the demographics of living Veterans for this measure. The consistency of the methodology for calculating performance on this measure is verified in both the 2002 Future Burial Needs report and in the 2008



report entitled Evaluation of the VA Burial Benefits Program, prepared by an independent contractor as required by 38 U.S.C. 527.

The methodology for assessing customer satisfaction on NCA's annual national cemetery client satisfaction mail-out survey has remained consistent since its inception in 2001. The survey collects data annually from family members and funeral directors who recently received services from a national cemetery. To ensure sensitivity to the grieving process, NCA allows a minimum of 3 months after an interment before including a respondent in the sample population.

The methodology for assessing customer satisfaction on NCA's memorial programs annual mail-out survey has remained consistent from its inception in 2010. The process is the same as described above.

The data collection method, requirements, and process are specified in the survey contract. These meet industry standards for survey methodology. VA headquarters staff oversees the data collection process to verify that the contractor complies with data collection procedures.

NCA's BOSS database was originally implemented in the early 1990's and continues to serve as VA's primary source for national cemetery workload data. BOSS data fields and input instructions are well documented in BOSS User Guides. Monthly, semi-annual, and annual reports generated from BOSS are automated and generated on regular time schedules to ensure data consistency between reporting periods.

#### **IV. Data Security**

VA continued to improve its information security in 2013 which has resulted in a more comprehensive security program that better protects sensitive information. The Continuous Readiness in Information Security Program (CRISP) has resulted in significant improvement in remediation of many of the information security deficiencies associated with its information security program. As part of CRISP, VA ensured that over 98 percent of VA staff has received the mandatory information security training they need to protect the information of Veterans and their families. VA is also implementing the Visibility into Everything initiative, which allows VA to view, measure, and secure all information technology (IT) assets across the VA enterprise.



## Veterans Benefits Administration

### *Quality Assurance Program (Millennium Act)*

VBA maintains a national quality assurance (QA) program independent of the field stations responsible for processing claims and delivering benefits. The following information about our programs, including compensation, pension, fiduciary, education, vocational rehabilitation and employment, housing, and insurance is provided in accordance with Title 38, Section 7734.

Cases Reviewed and Employees Assigned by Program		
	Cases Reviewed	Employees Assigned
Compensation (STAR Accuracy Reviews)	28,294	25
Pension (STAR Accuracy Reviews)	1,511	2
Fiduciary	1,355	4
Education	2,887	4
Vocational Rehabilitation and Employment	8,089	12
Loan Guaranty (Housing)	18,309	17
Insurance	11,040	4

The quality assurance program is administered using a multi-faceted approach based on four tiers of national review focusing on: program review, program operations, special focus reviews and rating consistency.

Program Review staff members conduct monthly Systematic Technical Accuracy Reviews (STAR) and other quality reviews to assess and measure national accuracy associated with compensation and pension claims. These reviews are intended to monitor the level of service provided during all phases of the claims process, and results are used to identify areas warranting further oversight and facilitate station training needs.

The second tier consists of regional office compliance oversight. Program Operations staff members monitor station operations, conduct site visits, identify best practices to assist stations in achieving high performance, and ensure consistency in application of policies and procedures nationwide.

The third tier of the quality assurance program consists of special focus reviews. Consistency staff members complete reviews to validate potential trends identified during STAR reviews. These reviews are conducted for a specified purpose and can be either one-time or recurring in nature.

The fourth tier of the quality assurance program focuses on rating consistency. Review is conducted on identified statistical outliers to determine root causes of inconsistency.

STAR accuracy reports are based on the month a case was completed, not when reviewed. Cases are submitted for review no later than the end of the month following the completion of the claim. Reviews of rating-related decisions and authorization-related actions have a specific focus:



- The benefit entitlement review ensures all issues were addressed, duty to assist was provided and all relevant evidence was collected, and the resulting decision was correct, including effective dates and payment rates. Accuracy performance measures are calculated based on the results of the benefit entitlement review.
- The decision documentation/notification review ensures adequate and correct decision documentation and proper decision notification.

Each month, the Program Review staff requests the following cases for quality review:

- 21 rating cases from 57 regional offices, 3 pension management centers (PMCs) and 14 resource centers;
- 21 authorization cases from 57 regional offices and 3 PMCs;
- 10 rating cases processed by the Appeals Management Center (AMC);
- 10 rating cases processed under the Integrated Disability Evaluation System (IDES) program at Providence and Seattle.

To assure accuracy of a STAR finding, a second level review of all cited errors is conducted by the Program Review staff's Internal Quality Review Team. Error trend analysis for each station is completed on a quarterly basis. Each regional office, PMC, and fiduciary hub is required to provide a detailed narrative response that outlines all corrective actions taken for all errors cited. Reliability of the reports is monitored during cyclical management site visits. Area offices continue to provide oversight for regional offices, directing the development and implementation of wellness plans as needs arise. Similar business line STAR programs contain the same aspects: stratified and randomly sampled case reviews for each regional office, site visits to ensure compliance, and ad hoc reviews.

### Summary of Findings and Trends – Compensation Service and Pension and Fiduciary Service

Results for compensation and pension claims reviews for the 12-month period ending June 30, 2013 are as follows:

	Compensation Entitlement (Rating) Reviews		Compensation Maintenance (Authorization) Reviews		Pension Management Center Entitlement (Rating) Reviews		Pension Management Center Maintenance (Authorization) Reviews	
	Reviewed	Accuracy	Reviewed	Accuracy	Reviewed	Accuracy	Reviewed	Accuracy
Benefit Entitlement	14,170	89.10 %	14124	94.59%	749	97.86%	762	97.90%
Notification	14,170	95.01%	14124	90.79%	749	95.06%	762	92.52%





	Reviewed	Accuracy
Compensation Entitlement (Rating) Issue Based 3-Month Reviews (Jul13 - Sep13)	17,944	96.65%

The majority of errors continue to be in the Benefit Entitlement (BE) category - B2 subcategory, *Development to Obtain Evidence (Does the record show development to obtain all indicated evidence, including a VA Exam (VAE), prior to deciding the claim?* However, for the 12-month cumulative period ending June 2013, Benefit Entitlement quality improved to 89 percent compared to 86 percent over the same period in 2012. For fiscal year 2012 this category reflected an error rate of 24.6 percent whereas current data reflects a 21.6 percentage error rate. The remaining categories remained almost at the same level of accuracy during this reporting period.

Since the inception of P&F Service, the quality of pension claims processing has remained steady at approximately 98 percent. The accuracy rate for both pension entitlement and maintenance claims for 2011 and 2012 was 98 percent. Our analysis indicates that this rate will continue for 2013. P&F Service has not experienced any clear trends as they relate to the processing of pension entitlement and maintenance claims. P&F Service uses STAR analysis to identify those areas that need improvement and employs its National Training Curriculum and the STAR narratives to address and correct deficiencies.

The fiduciary quality assurance program transitioned to the Nashville Quality Assurance office in January 2011. In May 2013, VA increased the number of field examination and accounting cases selected for quality assurance review from 66 to 257. VA conducts monthly fiduciary quality reviews on a random sample of the fiduciary workload at each fiduciary hub and the Manila Regional Office. The quality review results are used to increase awareness of policy and procedures and guide the development of training when needed. Common STAR error findings are used for discussion items during the monthly fiduciary program teleconference calls.

Results for fiduciary reviews for the 12-month period ending June 30, 2013 are as follows:

Fiduciary Reviews		
	Reviewed	Accuracy
Entitlement and Protection	1,355	89.67%

The fiduciary work review focuses on the appointment of fiduciaries, the content of field examinations, and the accountings by fiduciaries. Most of the errors were found in the area of "protection." "Protection" includes oversight of the fiduciary/beneficiary arrangement, analysis of accounting, adequacy of protective measures for the residual estate, and any measures taken to ensure that VA funds are used for the welfare and needs of the beneficiary.



## **Actions Taken to Improve Quality – Compensation Service, and Pension and Fiduciary Service**

Training remains a priority and is conducted using a variety of mediums including monthly national Quality Teleconference Calls, training letters, and computer-assisted training. VBA redesigned its centralized Challenge training program in 2011 to improve employee training and quality. Challenge training focuses on the overall skills and readiness of the workforce, while improving productivity of both new and longer tenured employees. During their first 6 months on the job, the 2,638 new employees who received Challenge training through the end of May 2013 completed 150 percent more claims per day than prior trainees. Accuracy from these new employees is also substantially higher than the national average, at 94 percent versus 89 percent.

Quality Review Teams (QRTs) were established in all regional offices in May 2012. Their responsibilities are to evaluate individual employee-level accuracy and to perform in-process reviews to eliminate errors at the earliest possible stage in the claims process. In April 2013 a QRT Challenge was created to deliver training to newly assigned Rating Quality Review Specialist. QRT Challenge for Authorization Rating Quality Specialists will be delivered beginning in FY 2014.

In 2012, VBA initiated a new Challenge course specifically designed to focus on improving decision accuracy and raising the skill levels of employees working in low-performing regional offices. Station Enrichment Training (SET) is intensive, instructor-based training built on VBA's highly successful and redesigned Challenge training for all new compensation claims processors. It provides standardized training in the technical skills required of claims processors. At the first office participating in the SET program, quality increased by eight percentage points in three months, and the number of claims processed per month increased by more than 27 percent. Since SET, this office has met or exceeded its performance goals each month. Based on the success of SET in the first office, VBA has since expanded SET to two additional regional offices in 2013.

Traditionally, the STAR program has tracked national quality of rating decisions at the claim level, finding a case to be either completely correct or in error, regardless of the number of medical issues claimed. In recent years, claims have become more complex with most involving multiple disabilities claimed, requiring numerous entitlement decisions in each case. Determining the quality of rating decisions based on each issue within the claim provides a more accurate assessment of actual rating quality. During 2013, the Program Review staff began tracking national quality data from both a claim level and an issue-based level for every regional office.

The fourth tier of the quality assurance program focuses on rating consistency. Review is conducted on identified statistical outliers to determine root causes of inconsistency.

VBA introduced rules-based calculators last year to assist decision makers in assigning accurate disability evaluations. VBA is now directly programming the calculators into the Veterans Benefits Management System as rule engines, thereby eliminating manual entry and helping to ensure greater consistency.



### **Summary of Findings and Trends - Education**

Education Service reviewed 2,287 cases in 2013. Based on these reviews, payments accuracy improved to 98.8 percent compared to 98 percent for the same period in 2012. Failure to process a document was 28 percent of all payment errors. Incorrect effective date determinations were 34 percent of all payment errors. Incorrect determinations of end date of training were 22 percent of payment errors. These three main causes accounted for 85 percent of all payment errors for the FYTD in 2013. The remaining errors were from a wide variety of causes, with only a few instances of each.

The increase of payment accuracy in FY 2013 indicates that training and improved automation systems are having a positive effect in reducing errors.

### **Actions Taken to Improve Quality - Education**

In addition to performing quarterly quality reviews, an independent review was established to examine improper payments. The 2013 quarterly quality results identified error trends and causes. These then were used as topics for refresher training in regional processing offices. Annual appraisal and assistance visits to the regional processing offices are also conducted. In 2013, Education Service continued to update the materials available for standardized training for employees. Additionally, Education Service fielded an automated claims processing functionality which fully process a portion of Post-9/11 GI Bill supplemental claims which reduces the opportunity for human error.

### **Summary of Findings and Trends - Vocational Rehabilitation and Employment (VR&E)**

VR&E completed quality assurance (QA) reviews on 8,558 cases for 2013, including Independent Living and Maximum Rehabilitation Gain case reviews. The national QA reviews are conducted over a 12-month period, with a sample of cases from each regional office reviewed every month. Approximately five percent of the workload was reviewed from each regional office.



VR&E Accuracy Targets and Actuals		
Accuracy Elements	Target Score 2013	Actual Score 2013
Accuracy of Entitlement Determinations	96%	99%
Accuracy of Fiscal Decisions	92%	89%
Accuracy of Outcome Decisions	97%	98%
Accuracy of Evaluation, Planning, and Rehabilitation Services	85%	83%

In addition to review of cases from each regional office, the Systematic Technical Accuracy Review (STAR) conducted site visits of 10 regional offices in 2013.

#### **Actions Taken to Improve Quality - Vocational Rehabilitation and Employment**

The VR&E accuracy scores met or exceeded the target scores for 2013 in two elements: Accuracy of Entitlement Determinations and Accuracy of Outcome Decisions. These scores are attributed to the following initiatives implemented over the last 3 years:

- Each regional office conducts a review of 10 percent of its caseload each year. This ensures consistency in the QA review process and office procedures.
- The QA review results for national and local reviews are available on the VA Intranet Web site. This information enables regional offices to assess individual quality and to identify training needs.
- The STAR Team currently works with the Training Team to provide trend data and develop training that clarifies administration of VR&E benefits.
- The STAR Team meets regularly with the VR&E Field Advisory Committee to address questions from regional offices regarding QA reviews.

The STAR Team meets regularly with the VR&E Field Advisory Committee to address questions from regional offices regarding QA reviews.

Current initiatives to improve performance include continued development of the Knowledge Management Portal; updates to the quality standards of practice; development of a new QA IT system; implementation of policy clarifying service requirements; continued development of the Electronic Performance Support System; and extensive training for new and experienced counselors as well as for new managers.

#### **Summary of Findings and Trends - Loan Guaranty (Housing)**

The Loan Guaranty housing program redesigned its quality review process in 2010 and began implementing this new process in 2011. As a result, first-level quality reviews that were previously performed onsite by Regional Loan Center staff are now the responsibility of Loan Guaranty Central Office. The redesigned quality review process provides an objective third-party review of the work being done by the Regional Loan Center staff and produces a more representative sample than



previously attained. Loan Guaranty Central Office staff reviewed 18,309 cases under its quality review process during 2013.

The housing quality assurance program includes elements beyond the review of cases. The VBA Lender Monitoring Unit performed 4,244 on-site audits and 26 in-house audits of lenders participating in VA's home loan program. VA audits of lenders during 2013 amounted to \$168,914 liability avoidance via indemnification agreements. VA has also collected \$539,377 in 2013 as a result of having indemnification agreements in place.

Contract Assurance (formerly known as Portfolio Loan Oversight Unit (PLOU)) conducts two types of reviews: in-house and on-site. Contract Assurance reviewed 67 billing invoices and completed 47 associated invoice reviews of the portfolio services contractor, as well as 247 non-invoice reviews related to contract compliance. Additionally, Contract Assurance conducted research and tracking on funds due the Department based on monies flowing through the Department of Justice to VA.

#### **Actions Taken to Improve Quality - Loan Guaranty (Housing)**

The Loan Guaranty Service disseminates the results of its quality reviews to field offices on a monthly basis. The Service prepares and releases trend reports that identify negative trends and action items found during on-site visits. The reports are published to assist field personnel in identifying frequent problems facing loan guaranty management. Any negative findings not resolved during on-site visits are to be addressed by field management within 30 days as to the corrective actions taken or planned. Conversely, any procedures discovered during on-site visits that would benefit other field stations can be deemed as best practices. Summaries of best practices employed by individual field stations are disseminated to all field stations with loan guaranty activity.

National training is provided to enhance the quality of service provided to Veterans and to increase lender compliance with VA policies. For instance, lenders who significantly fail to comply with VA's loan underwriting policies are either required to enter into indemnification agreements with VA or immediately repay the agency for its losses.

The property management service provider (Vendor Resource Management) is authorized to manage and sell all VA-acquired properties as a result of foreclosure or termination. The Property Management Oversight Unit (PMOU) monitors the management and marketing of the properties by the property management service provider. These assets are valued at approximately \$1.23 billion. The PMOU monitors the property management service provider's performance by inspecting properties nationwide to ensure compliance with the contract requirements and performs on-site case reviews at their operations center.

#### **Summary of Findings and Trends - Insurance**

The Insurance program's principal quality assurance tool is the Statistical Quality Control (SQC) review. SQC assesses the ongoing quality and timeliness of work products by reviewing a random sample of completed and pending work. Ten categories of work from the Policyholders Services and Claims divisions are reviewed.



Policyholders Services, whose work products deal with customer service and the maintenance of active insurance policies, had an overall accuracy of 90.6 percent for 2013. Work products included correspondence, applications, disbursements, record maintenance and refunds. The Policyholders Services Division also responds to telephone inquiries from Veterans and their beneficiaries. In 2013, the average speed of answer was 92 seconds. The percent of abandoned calls was 2.0 percent, and the percent of blocked calls was 7.8 percent. Insurance Claims Division is responsible for the payment of death and disability awards, the issuance of new life insurance policies, and the processing of beneficiary designations. The accuracy rate for Insurance Claims work products was 94.3 percent. Work products included death claims, awards maintenance, beneficiary designation changes, disability claims, and medical reinstatement applications. In total, the accuracy rate for all 2013 insurance work products was 92.8 percent.

The timeliness rate for Policyholders Services work products was 93.7 percent, and 84.5 percent for Insurance Claims work products. The overall timeliness rate for 2013 insurance work products was 88.2 percent.

The insurance quality assurance program also includes internal control reviews and individual employee performance reviews. The Internal Control staff reviews insurance operations for fraud through a variety of reports and reviews. Reports are generated daily and identify various insurance transactions based on specific criteria that indicate possible fraud. The Internal Control staff also reviews 100 percent of all employee-prepared disbursements. Primary end products processed by employees in the operating divisions are evaluated based on the elements identified in the Individual Employee Performance Requirements. As a result of these controls, insurance disbursements are 97 percent accurate.

VA utilizes a client satisfaction survey instrument for the purpose of measuring satisfaction and to identify areas that need improvement. VA surveys 40 randomly selected Veterans and beneficiaries per month for each of 11 insurance end products. Veterans are asked to evaluate different aspects of service delivery on a five-point scale. Low ratings in a particular area indicate the need for process improvements or additional training.

#### **Actions Taken to Improve Quality - Insurance**

SQC exceptions are brought to the attention of the insurance operations division chiefs, unit supervisors, and employees who worked the case. VBA's Insurance Service evaluates the SQC programs periodically to determine if they are functioning as intended. Individual performance reviews are conducted monthly. The performance levels - critical and non-critical elements - are identified in the Individual Employee Performance Requirements. These reviews are based on a random sampling of the primary end products produced by employees in the operating divisions. Those items found to have errors are returned to the employee for correction. At the end of the month, supervisors inform employees of their error rates and timeliness percentages as compared to acceptable standards. VA's Insurance Program managers also use these data to identify training needs and opportunities for process improvements.

The survey contains a section titled, "What could we do better?" VA analyzes the responses to determine where process improvements can be made. VA makes an effort to implement customer suggestions where appropriate to increase the effectiveness and efficiency of operations and increase customer satisfaction.



The Internal Control Staff monitors, reviews, and approves insurance disbursements and certain other controlled transactions, as well as reviews post-audit reports. Work products with any detected errors are returned for correction.

The results of SQC, employee performance reviews, client satisfaction surveys, and Internal Control feedback are used to address any areas where improvement is needed via corrective training and other steps to improve error rates and timeliness percentages.

The Insurance Program has successfully implemented fifteen job aids and tools under the initiative called “Skills, Knowledge and Insurance Practices and Procedures Embedded in Systems.” This program captures “best practices” and standardized procedures for processing various work items and makes them available on each employee’s desktop. The job aids are an important tool in reducing error rates and improving timeliness. In 2013, VA installed online tools such as Helpful Hints, Directory Assistance, Collection Demo, Address Standards, and Life Insurance Statement Form 712, among others.



**Department of Veterans Affairs  
Office of Inspector General  
Washington, DC 20420**

**FOREWORD**

Our Nation depends on VA to care for the men and women who have sacrificed so much to protect our freedoms. These Servicemembers made a commitment to protect this Nation, and VA must continue to honor its commitment to care for these heroes and their dependents in a manner that is as effective and efficient as possible. VA health care and benefits delivery must be provided in a way that meets the needs of today's Veterans and Veterans from earlier eras. It is vital that VA health care and benefits delivery work in tandem with support services like financial management, procurement, and information management to be capable and useful to the Veterans who turn to VA for the benefits they have earned.

Office of Inspector General (OIG) audits, inspections, investigations, and reviews recommend improvements in VA programs and operations, and act to deter criminal activity, waste, fraud, and abuse in order to help VA become the best-managed service delivery organization in Government. Each year, pursuant to Section 3516 of Title 31, United States Code, OIG provides VA with an update summarizing the most serious management and performance challenges identified by OIG work as well as an assessment of VA's progress in addressing those challenges.

This report contains the updated summation of major management challenges organized by the five OIG strategic goals—health care delivery, benefits processing, financial management, procurement practices, and information management—with assessments of VA's progress on implementing OIG recommendations.

OIG will continue to work with VA to address these issues to ensure the best possible service to the Nation's Veterans and their dependents.



GEORGE J. OPFER  
Inspector General



## Major Management Challenges Identified by OIG

VA's Office of Inspector General (OIG), an independent entity, evaluates VA's programs and operations. OIG submitted the following update of the most serious management challenges facing VA.

VA reviewed OIG's report and provided responses, which are integrated within OIG's report. Our responses include the following for each challenge area:

- **Estimated resolution timeframe (fiscal year)** to resolve the challenge
- **Responsible Agency Official** for each challenge area
- **Completed 2013 milestones** in response to the challenges identified by OIG

VA is committed to addressing its major management challenges. Using OIG's perspective as a catalyst, we will take whatever steps are necessary to help improve services to our Nation's Veterans. We welcome and appreciate OIG's perspective on how the Department can improve its operations to better serve America's Veterans.

Major Management Challenge		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	Description (Responsible Office)		
<b>OIG 1</b>	<b>Health Care Delivery (VHA)</b>		<b>II - 79</b>
1A	Quality of Care (VHA)	2014	II - 79
1B	Access to Care (VHA-Lead)	2014	II - 81
1C	Accountability of Prosthetic Supplies in VHA Medical Facilities (VHA)	2014	II - 84
<b>OIG 2</b>	<b>Benefits Processing (VBA)</b>		<b>II - 85</b>
2A	Improving the Quality of Claims Decisions (VBA)	2015	II - 86
2B	VA Regional Office Operations (VBA)	2015	II - 87
2C	Improving the Management of VBA's Fiduciary Program (VBA)	2014	II - 88
<b>OIG 3</b>	<b>Financial Management (TSO, VHA)</b>		<b>II - 89</b>
3A	Lack of Accountability and Control over Conference Costs (TSO-Lead, HRA, VHA, VBA, NCA)	2014	II - 90
3B	Strengthen Financial Controls over the Beneficiary Travel Program (VHA)	2014	II - 91
3C	Improve Compliance with the Improper Payments Elimination and Recovery Act, Reduce Improper Payments, and Weaknesses in non-VA Fee Care Program (VHA)	2014	II - 93
<b>OIG 4</b>	<b>Procurement Practice (OALC)</b>		<b>II - 94</b>
4A	VA Can Achieve Significant Procurement Savings (VHA-Lead, OM, OALC)	2014	II - 94
4B	Improve Oversight of Interagency Agreements (OALC-Lead, HRA)	2014	II - 95
4C	Sound IT Procurement Practices (OIT)	2014	II - 97



<b>OIG 5</b>	<b>Information Management (OIT)</b>		<b>II - 98</b>
5A	Development of an Effective Information Security Program and System Security Controls <b>(OIT)</b>	2014	II – 99
5B	Interconnections with University Affiliates <b>(OIT-Lead, VHA,)</b>	2014	II – 102
5C	Strategic Management of Office of Information Technology Human Capital <b>(OIT)</b>	2014	II – 103
5D	Effective Oversight of Active IT Investment Programs and Projects <b>(OIT-Lead, VBA, VHA)</b>	2014	II – 104
	<b>Appendix</b>		<b>II - 109</b>



## **OIG CHALLENGE #1: HEALTH CARE DELIVERY (VHA)**

### ***-Strategic Overview-***

For many years, the Veterans Health Administration (VHA) has been a national leader in the quality of care provided to patients when compared with other major U.S. health care providers. VHA's use of the electronic medical record, its National Patient Safety Program, and its commitment to use data to improve the quality of care has sustained VHA's quality of care performance. VHA's decision to provide the public access to extensive data sets on quality outcomes and process measures is a further step forward as a national leader in the delivery of health care. Additionally, VHA's action to determine each hospital's ability to handle complex surgical cases, assign a rating classification, and then limit the procedures that can be performed at each class of facility is further evidence of its groundbreaking efforts to maintain and improve the quality of care that Veterans receive.

However, VHA faces particular challenges in managing its health care activities. The effectiveness of clinical care, budgeting, planning, and resource allocation are negatively affected due to the continued yearly uncertainty of the number of patients who will seek care from VA. Over the past 8 years, OIG has invested about 40 percent of its resources in overseeing the health care issues impacting our Nation's Veterans and has conducted reviews at all VA Medical Centers (VAMCs) as well as national inspections and audits, issue-specific Hotline reviews, and criminal investigations. The following sub-challenges highlight the major issues facing VHA today.

### **OIG Sub-Challenge #1A: Quality of Care (VHA)**

VHA provides Veterans with comprehensive medical and specialty care; however, VHA continues to face challenges with matching Veterans' demands for specific types of medical care with the appropriate care providers. This has been evident with VHA's difficulty in providing a proper mix of in-house mental health providers and integrating purchased care providers seamlessly in the plan of care for Veterans who receive their mental health care from non-VA providers. Matching the supply of available providers to the demand for health care is made more difficult by the absence of staffing standards for most physician specialist and mental health providers, the inaccuracies in data reported from the current appointment system with respect to appointment metrics, and the lack of oversight to force VA managers to rigorously evaluate the business case that determines how the provider workforce is utilized.

Modern health care requires that timely decisions be made and then executed with precision. VA is the largest integrated health care organization in the U.S. with a patient medical record system that was originally a model for other health care organizations. However, the system has not been upgraded as necessary to keep pace with competing medical record systems with respect to appointment scheduling and decision support. In addition, VA has not been able to provide a coherent plan forward to link Department of Defense and VA medical records after having spent considerable money and effort. There are many outstanding features to VA's medical record system, but without a clear and workable plan going forward VA will have increasing difficulty managing the data required by providers and administrators to ensure that Veteran health care retains its outstanding value to our citizens.

VA provides nationwide high quality medical care to its patients; however, in order to maintain patient confidence and this level of care, VA managers must focus on operations oversight to ensure that VA



hospitals operate in accordance with VA standards and that health care is the number one priority. A lack of oversight has resulted in quality of care lapses (lack of program oversight, poor coordination, communication, and education) that were reported by OIG this past year. These instances include the misuse of insulin pens which required notification to hundreds of Veterans that they are at risk of blood borne infectious disease, mismanagement of a mental health care contract where thousands of Veterans' mental health care needs may not have been provided, and lapses in the provision of routine colonoscopies for cancer screening. To correct these quality care lapses, VA must review the current methods used to fill internal vacancies, review quality oversight mechanisms used by Veterans Integrated Service Network (VISN) and national leaders, and make the required changes to address these errant decisions.

Veterans who have been injured during their service often suffer from physical and mental injuries. The use of narcotic medications for pain related symptoms in the United States and within VA is of staggering proportions. The use of high doses of narcotics for individual patients, where the medication has significant abuse potential, creates significant societal stresses within VA's community. VA's policy with respect to the management of the population of high narcotic users must be regularly reviewed and supported in order to affect the best possible outcomes for patients.

**VA's Program Response**  
**Estimated Resolution Timeframe: 2014**  
**Responsible Agency Official: Under Secretary for Health**

Completed 2013 Milestones

The VA health record, Computerized Patient Record System (CPRS), is a collection of a patient's clinical information and is an important communication tool contributing to high-quality care. With rapid changes in the standards for electronic health records, VA continues to enhance CPRS through agile development and innovation. The use of clinical information to trigger reminders and alerts continues to support improvements in clinical quality guidelines and patient outcomes, such as allergy checks, and suggesting recommended actions. With electronic data capture and storage of patient health information, we continue to work toward the seamless exchange of patient data with external authorized users, such as the Department of Defense and private sector providers, and to enhance continuity of patient care.

VHA has established Relative Value Unit (RVU)-based productivity standards for various specialties and developed a process for the review of specialty group practices. As part of this review process, VHA has established a template for consistent application of business rules for labor mapping for physicians and has developed a Quadrant tool and Practice Management Report for evaluating specialty productivity, access, staffing, and efficiency. Algorithms related to the Quadrant tool and Practice Management Report have been developed. The purpose of these algorithms is to assist facility leaders in the management of specialty care resources and ensure appropriate staffing for specialty care services across all VHA sites.

VHA's Office of Mental Health has made significant gains in developing staffing and productivity standards as well as substantial hiring to adequately staff VHA mental health programs. In June 2013, VA announced the successful hiring of 1,600 mental health clinicians and a decrease in the national vacancy rate from 12 percent to 11 percent. Concurrently, productivity standards for mental health providers were published. In August 2013, VHA began national expansion of its pilot guidance for



staffing general outpatient mental health programs. In addition, VA developed improved metrics for assessing the timeliness of care delivery throughout fiscal year 2013 and began development of outcome metrics for evaluating quality of care. Implementation of these initiatives is providing VA managers at all levels of the organization with tools to make more accurate decisions about resource needs.

VHA is developing and implementing a series of educational sessions for leaders and clinicians that reinforce organizational expectations that patients receive prompt notification of colorectal cancer (CRC) screening results and that clinicians counsel patients to proceed with diagnostic testing within 60 days of a positive CRC screening result. Communication of CRC screening, specifically Fecal Occult Blood Test (FOBT) results, will be included in national monitors.

VHA facilities will be provided with tools to assist in identifying and tracking Veterans with positive FOBT results. These tools will also assist in determining the proportion of patients who undergo desired diagnostic testing within 60 days of that positive result. VHA Patient Care Services will collaborate with Office of Informatics Analytics in the development of a quarterly report identifying those Veterans with positive FOBT results and those who have undergone diagnostic colonoscopy within 60 days of a positive screen.

In early 2013, VHA launched the Opioid Safety Initiative to monitor the frequency and dosing of opioid analgesic prescriptions across all VA facilities. This initiative identifies Veterans with high dose prescriptions and activates expert consultation to ensure appropriate pain management. The initiative institutes corrective education and training of providers in the use of opioid analgesics for pain and in risk management strategies to improve safe opioid prescribing. FY 2013 Combined Assessment Program (CAP) reviews at 30 VHA facilities included an assessment of medication management to determine whether facilities complied with selected requirements for opioid dependence treatment. OIG found high compliance (>95 percent) in its review of whether controlled substance policies in facilities were consistent with VHA requirements.

### **OIG Sub-Challenge #1B: Access to Care (VHA)**

As mentioned in Sub-Challenge 1A, Veterans' access to VA health care is a major challenge for VHA. Here the focus is on the particular challenges of providing timely access to high-quality care and services by increasing telemedicine, medical staff productivity, fee care services, access to quality contract nursing homes, and nursing home care services.

In January 2002, Public Law (P.L.) 107-135 mandated that VA establish a nationwide policy to ensure medical facilities have adequate staff to provide appropriate, high-quality care and services. However, OIG audits and inspections, including a December 2012 report, *Audit of VHA's Physician Staffing Levels for Specialty Care Services*, continue to identify the need for VHA to improve their staffing methodology by implementing productivity standards. OIG determined that VHA had not established productivity standards for 31 of 33 specialty care services reviewed, and had not developed staffing plans that addressed the facilities' mission, structure, workforce, recruitment, and retention issues to meet current or projected patient outcomes, clinical effectiveness, and efficiency.

VHA's lack of established productivity standards for specialty care services and staffing plans limited the ability of medical facility officials to determine the appropriate number of specialty physicians for



patient care needs and to measure productivity of specialty care services. Productivity standards had not been developed because of lack of agreement within VHA on how to develop a methodology to measure productivity, and current VHA policy does not provide sufficient guidance on developing medical facility staffing plans. As a result, VHA's lack of productivity standards and staffing plans limit the ability of medical facility officials to make informed business decisions on the appropriate number of specialty physicians to meet patient care needs, such as access and quality of care. This issue will be compounded as VA begins integrating the requirements of the Affordable Care Act (ACA).

VA must have a clear understanding of how VA care will be integrated into the ACA. VA should anticipate modifying their policies to accommodate changes required by this law and notify stakeholders accordingly of their actions. Congress has held hearings and VA has engaged contractors to address aspects of this change, yet many aspects of VA's roles and implementation are unclear. The fundamental issue of how VA health care, which is intended to provide care for Veterans, will be integrated into the options selected by families through health care exchanges remains to be clarified.

OIG's *Audit of the Community Nursing Home Program* reported Veterans were placed in contract nursing homes that did not meet VHA standards for nursing home operation and quality of care. VHA renewed contracts for nursing homes that were ineligible to participate in VHA's Community Nursing Home program. Specifically, inadequate VA medical facility reviews of nursing homes' eligibility resulted in the renewal of ineligible nursing homes' contracts. VA medical facility review teams did not adequately review Centers for Medicare and Medicaid Services (CMS) profile information and State Survey Reports and apply VHA exclusionary criteria when they assessed nursing home eligibility. This allowed the continued participation of ineligible nursing homes in the program and increased the risk of patient safety and quality of care problems. OIG projected that VHA places about 6,700 patients in ineligible nursing homes at a cost of about \$59.3 million annually. If program controls are not strengthened, VHA will place approximately 33,500 patients in ineligible nursing homes at a cost of about \$296.5 million over the next 5 years.

VHA needs to establish one standard of care for providing selected purchased home care services to ensure that it is providing consistent and equitable access to purchased home care services to eligible Veterans across the Nation. On September 30, 2013, OIG reported in its *Audit of VHA's Selected Non-Institutional Purchased Home Care Services* that VA medical facilities used various methods and strategies to limit Veterans' access to homemaker/home aide, respite, and skilled care services. Although this report highlights gaps in providing access to services it also identified significant variation in the quality of care delivered.

VHA's non-institutional care program allows Veterans to receive VA and contractor- provided services in the least restrictive environment possible, such as in the Veteran's home. OIG projected that at least 114 VA medical facilities limited access to these services through the application of more restrictive eligibility criteria and review processes, and/or the avoidance of waiting lists. These processes also allowed many of the same VA medical facilities to avoid placing about 49,000 Veterans on waiting lists. The gap in service delivery occurred because VA medical facilities took action to fund higher priorities, such as mental health, and to reduce their fee program expenses. Additionally, VHA disseminated inaccurate eligibility information for purchased skilled care services and lacked adequate monitoring and evaluation mechanisms. VAMCs also used ineligible home care agencies to provide services. OIG estimates that VHA will pay about \$893 million to ineligible agencies over the next 5 years unless it ensures these agencies are adequately reviewed and monitored.





VHA raised a number of concerns about OIG estimates and statistical projections after reviewing the draft report on non-institutional purchased home care services. The randomly selected sites provided a statistically accurate representation of purchased home care services because they were representative of VA's universe of medical facilities, their patient populations, and the conditions under which the facilities operate.

**VA's Program Response**  
**Estimated Resolution Timeframe: 2014**  
**Responsible Agency Official: Under Secretary for Health**

Completed 2013 Milestones

VHA has established RVU-based productivity standards for the specialties of dermatology, gastroenterology, neurology, ophthalmology, orthopedics, and urology, and developed a process for the review of specialty group practices. As part of this review process, VHA has established a template for consistent application of business rules for labor mapping for physicians and has developed a Quadrant tool and Practice Management Report for evaluating specialty productivity, access, staffing, and efficiency. Algorithms have been developed to guide the interpretation and utilization of the Quadrant tool and Practice Management Report. The purpose of these algorithms is to assist facility leaders in the management of specialty care resources and ensure appropriate staffing for specialty care services across all VHA sites.

Any practice among these six specialties that falls below the 25<sup>th</sup> percentile productivity standard or above the 75<sup>th</sup> percentile for a specific specialty and medical center complexity group must undergo a local review which addresses data inputs including person class designation and physician labor mapping. If a specialty practice productivity level is more than one standard deviation below the mean for its specialty and medical center complexity group, facility clinical leaders work with the specialty to develop a remediation plan. The remediation plan undergoes facility Director and VISN Director review and concurrence.

Since the ACA enactment, VA has worked diligently to understand the impact of the health care law by examining the key provisions and identifying the implications for Veterans and VA. As a result, VA has established a collaborative enterprise-wide approach to implementing ACA. VA's efforts to implement ACA fall into four broad categories: (1) data analysis; (2) communications; (3) operations; and (4) information technology. In July 2013, VA began using various modalities to communicate with Veterans, staff and other stakeholders that Veterans health care does not change as a result of ACA. VA will continue to provide Veterans with high-quality, comprehensive health care and benefits they have earned through their service. As the key provision of ACA to have health insurance coverage takes into effect in January 2014, VA will continue to assess the impact of ACA on VA and integrate these efforts into current VA business processes and policies as needed.

VHA has plans in place to improve the provision of non-institutional purchased home care services to Veterans. VHA is working to tighten controls for ensuring only eligible home care agencies receive VHA funds. VHA has developed improved mechanisms to assure that Veterans who are enrolled with VA for health care either receive purchased home health care for their needs or are placed on a wait list which will be tracked. VHA will address the billing concerns OIG identified at one of the eight facilities they



audited and will provide clear and comprehensive guidance to appropriate personnel at all other facilities on proper documentation of orders for purchased home care services.

VHA has concerns about some of the estimates and projections presented in OIG's Audit of Selected VHA Non-Institutional Purchased Home Care Services because they are based on sampling methodology that does not accurately represent the complexity of non-institutional purchased home care for Veterans nation-wide. VHA does not agree with OIG's national estimate of the number of VA medical centers potentially limiting access to services (114), the projected potential use of ineligible agencies (1,300), or the projection that VA could pay \$893 million to ineligible agencies over 5 years. VHA does not concur with OIG's national estimate that 49,000 Veterans should have been placed on wait lists for purchased home and community based services because this estimate does not take into account Veterans' rights to choose where they receive their care.

VHA appreciates that OIG correctly identified improper payments of \$67,000 at one facility and did not identify any significant problems at the other seven facilities they audited. However VHA does not concur with OIG's decision to project the findings at one facility across all VHA facilities to achieve 5-year projection of \$13.2 million in improper payments. VHA finds there is insufficient justification to support the projection beyond the actual finding, particularly in light of aforementioned concerns about the sampling methodology used in this report.

#### **OIG Sub-Challenge #1C: Accountability of Prosthetic Supplies in VHA Medical Facilities (VHA)**

VHA maintains inventories of about 93,000 specific prosthetic items with a total value of about \$70 million. Every year, VAMCs process hundreds of millions of dollars' worth of prosthetic supplies through these inventories. OIG reported to Congress in FY 2012 that VHA needs to strengthen VAMC management of prosthetic supply inventories to avoid spending funds on excess supplies and to minimize risks related to supply shortages. Further, OIG identified the need for VHA to replace the Prosthetic and Generic Inventory Packages with one automated system. OIG recommended VHA implement a modern inventory system and strengthen the management of prosthetic supply inventories. The Under Secretary for Health agreed with our FY 2012 recommendations but the recommendations remain open. A plan to replace Prosthetic and Generic Inventory systems is in development and completion is projected for 2015 pending availability of funds. OIG will continue to monitor this area and the risks imposed by reliance on the legacy inventory systems as a management challenge until a modern inventory system is put in place.

#### **VA's Program Response**

**Estimated Resolution Timeframe: 2014**

**Responsible Agency Official: Under Secretary for Health**

#### **Completed 2013 Milestones**

VHA promoted the Prosthetic Service Card (PSC) program during FY 2013. VHA provided education on the program to Veterans and VA staff. All eligible Veterans who have service-connected amputations (12,128 Veterans) were sent a PSC information letter and pre-paid response card. As of July 2013,



65.2 percent of identified Veterans possess a PSC for their qualifying prosthetic device. The second attempt to reach Veterans who have not responded was completed in August 2013. A PSC information letter and prepaid response card was sent to over 2,700 Veterans.

VHA has undertaken several initiatives to enhance oversight of management and acquisition of prosthetic limbs. In February 2013, VHA issued a memorandum to the field providing guidance on the use of Medicare L-codes and Not Otherwise Classified codes. National policy on the development of the Healthcare Common Procedural Coding System list for prosthetic limb or custom orthotic device prescription has been developed and is undergoing VHA review for concurrence. VHA finalized a national contract template for prosthetic limbs, now under review by the Office of General Counsel and the Office of Acquisition and Logistics. A comprehensive assessment of Orthotic and Prosthetic Services solicitation was issued in March 2013 and the contract was awarded in August 2013.

VHA developed an educational course titled Principles in Inventory Management (PIM), which will be provided to prosthetics supply inventory managers and logistics staff in FY 2014. More than 100 field-based staff have already taken or will soon take the PIM course. Eight of the initially planned 10 classes have been conducted, with plans for 15 more. Prosthetics and Sensory Aids Service developed an online inventory management course that provides an overview of the Prosthetics Inventory Package (PIP); in January 2013, this course was made available to all VHA staff through the Talent Management System.

## **OIG CHALLENGE #2: BENEFITS PROCESSING**

### ***-Strategic Overview-***

Persistent large inventories of pending claims for Compensation and Pension benefits pose a continuing challenge for VBA. As of September 2013, this inventory of claims is 722,013. This backlog is attributed to an increase in the disability claims workload, in part due to returning Iraqi and Afghanistan Veterans, reopened claims from Veterans with chronic progressive conditions related to Agent Orange, relaxed evidentiary requirements to process post-traumatic stress disorder claims, and additional claims from an aging Veteran population with declining health issues. Complex benefits laws related to traumatic brain injury (TBI) claims, court decisions, technology issues, workload, and staffing issues also contribute to VBA's benefits processing challenges.

In efforts to address this backlog, VBA has adopted 40 transformation initiatives, including claims digitization and automated processing using the Veterans Benefits Management System (VBMS). VBA has also moved to initiatives such as claims brokering to even out workloads across VA regional offices (RO), provisional ratings for claims over 2 years old, and mandatory overtime during summer 2013 for claims raters.

In addition to falling short of goals for claims processing accuracy, OIG reported VBA continues to experience challenges in ensuring its 56 ROs comply with VA regulations and policies and deliver consistent operational performance. OIG also found that expedited rollout of Disability Benefits Questionnaires (DBQ) to reduce the claims backlog was put in place without adequate controls.

OIG continues to report the need for enhanced policies and procedures, training, oversight, quality review, and other management controls to improve the timeliness and accuracy of VBA's disability



claims processing. OIG reports issued in 2013 highlight continuing VA challenges in managing the claims backlog, ensuring accuracy in disability benefits processing workload, and claims storage issues at certain ROs.

### **OIG Sub-Challenge #2A: Improving the Quality of Claims Decisions (VBA)**

RO staff faced challenges providing accurate decisions on Veterans' disability claims. From October 2012 through June 2013, OIG inspected 11 ROs and reported on their performance in 3 claims areas: temporary 100 percent disability evaluations for service-connected conditions requiring surgical or medical treatment, TBI, and Gulf War Veterans' entitlement to mental health care. RO staff did not correctly process 47 percent of the total 762 claims OIG sampled primarily due to a lack of oversight and training. Specifically, RO staff incorrectly processed:

- 60 percent of 324 temporary 100 percent disability evaluations, resulting in nearly \$3 million in improper payments within this sample of national claims.
- 32 percent of 197 TBI claims reviewed. OIG found that TBI claims processing errors resulted from staff using VHA medical examination reports that did not contain sufficient information to make accurate rating determinations. Staff generally over evaluated the severity of TBI-related disabilities because they did not properly interpret the medical examination reports.
- 40 percent of 241 claims involving Gulf War Veterans' entitlement to mental health care.

### **VA's Program Response**

**Estimated Resolution Timeframe: 2015**

**Responsible Agency Official: Under Secretary for Benefits**

#### Completed 2013 Milestones

VBA has aggressively pursued its Transformation Plan to implement a series of tightly integrated people, process, and technology initiatives designed to achieve the 2015 strategic goal of completing all rating-related compensation and pension claims within 125 days at 98 percent accuracy level. Significant progress has been made. As of September 30, 2013, the claims inventory totaled 722,013, down from a high of 883,930 in July 2012. As of September 30, 2013, the backlog of claims older than 125 days totaled 418,472. This was 192,601 below the peak backlog in March 2013 and its lowest point since March 2011. As of August 2013, claim-based accuracy was 89.1 percent and accuracy measured at the medical issue-based level was 95.8 percent.

VA developed a strategy for the secure electronic submission of DBQs received outside the VA examination process. Controls for verifying the identity and credentials of private physicians submitting DBQs online will occur once the DBQ automated solution is integrated with VBMS and the Stakeholder Enterprise Portal. As an interim control, VBA's Quality Assurance staff conducts DBQ validation reviews of a statistically valid sample of DBQs submitted by private physicians.

VBA continues to monitor records that contain temporary 100 percent evaluations to ensure they have the appropriate controls and indicators established and to ensure a future examination date is in the Veteran's electronic record. Throughout 2013, VBA conducted biweekly reviews of all 100 percent



evaluations to identify any records without the proper controls and indicators for correction by regional offices.

With the June 2013 implementation of the VBMS – rating functionality in all ROs, systemic safeguards are in place to prompt users to input controls and prevent users from completing associated actions for all 100 percent evaluations without proper controls and indicators established.

VBA developed a TBI Training and Performance Support System (TPSS) module. This training module will be mandatory in 2014 for all Rating Veterans Service Representatives (RVSR) and Decision Review Officers (DRO). The module contains guidance for properly identifying residuals of TBI, determining if evidence is sufficient to grant service connection, and assigning appropriate percentages.

VBA also added several classes in the National Training Curriculum on rating mental health conditions. VBA updated the medical TPSS module on mental disorders, specifically PTSD and the military sexual trauma training. These training modules are mandatory for all RVSRs and DROs in 2013.

### **OIG Sub-Challenge #2B: VA Regional Office Operations (VBA)**

VBA continues to experience challenges ensuring its 56 ROs comply with VA regulations and policies and deliver consistent performance of their Veterans Service Center (VSC) operations. OIG's Benefits Inspectors reported almost two-thirds of the 11 ROs inspected from October 2012 through June 2013 did not follow VBA policy to ensure Systematic Analysis of Operations (SAO) were timely and complete. SAOs provide an organized means of reviewing VSC operations annually to identify existing or potential problems in claims processing and propose corrective actions. If RO management had ensured the completion of SAOs, they would have identified weaknesses associated with their operations and could have developed plans to correct these shortcomings.

#### **VA's Program Response**

**Estimated Resolution Timeframe: 2015**

**Responsible Agency Official: Under Secretary for Benefits**

#### Completed 2013 Milestones

VBA strives to find new ways to improve the performance at all ROs. VBA aggressively monitors RO performance, and if negative performance trends develop, area directors establish improvement plan requirements for RO Directors, ensuring appropriate attention to problem areas. Area directors visit each RO at least annually to conduct an in-person review of operations. Oversight is also provided through on-site review of RO operations conducted by Compensation and Pension and Fiduciary Services. RO Directors are held accountable for station performance through annual performance evaluations.

All VBA ROs are required to perform annual SAOs to provide a comprehensive overview of specific divisional functions as well as identify areas for improvement. Procedures and a schedule for completing SAOs are available for each VBA business line. Also, each RO Director can establish additional SAOs for local operational issues.

SAOs are reviewed during both Central Office and Area Office site visits. SAO compliance is tracked and monitored closely for timeliness and content at every level of management, to include local business



line and executive management reviews. Reviews ensure compliance with the elements cited in M21-4, Chapter 5. Area Offices may request copies of the RO SAO schedules and specific completed SAOs for further review. SAO training is provided to management on-site during site visits if deficiencies are present.

### **OIG Sub-Challenge #2C: Improving the Management of VBA's Fiduciary Program (VBA)**

According to VA's 2012 Annual Benefits Report, the benefits of more than 134,000 incompetent VA beneficiaries are being managed by fiduciaries. The total estimated amount of VA benefits under the control of fiduciaries is more than \$2.3 billion. From April 1, 2008, to March 31, 2013, OIG conducted 148 investigations involving fiduciary fraud and arrested 91 fiduciaries and/or associates. OIG investigations highlight program vulnerabilities that are exploited by unscrupulous individuals at the expense of incompetent VA beneficiaries.

Two recent examples illustrate weaknesses that allowed funds to be embezzled. In the first example, an attorney, who was the court-appointed fiduciary for 54 Veterans, and his wife, who served as his legal assistant and office manager, were each sentenced to 46 months' incarceration and 3 years' supervised release. In addition, they were ordered to jointly pay restitution of more than \$2.3 million to VA and \$282,112 to the Internal Revenue Service (IRS). An OIG investigation determined that from January 2003 through December 2008, the couple stole more than \$2.3 million from the incompetent Veterans and submitted falsified accountings to VA to conceal the thefts. In addition, they failed to report the stolen funds to the IRS. In the second example, a former VA fiduciary was sentenced to 41 months' incarceration, 36 months' supervised probation, and ordered to pay \$639,618 in restitution after pleading guilty to theft of Government funds. An OIG investigation revealed that the defendant, an attorney, embezzled \$460,679 of VA benefits and \$176,246 of Social Security Administration benefits from an incompetent Veteran. The defendant admitted to submitting fraudulent accountings to both VA and the court by altering reports and creating fraudulent certificates of deposit.

#### **VA's Program Response**

**Estimated Resolution Timeframe: 2014**

**Responsible Agency Official: Under Secretary for Benefits**

#### Completed 2013 Milestones

VA enhanced procedures to prevent and identify misuse of beneficiary funds. Procedural improvements previously implemented up through 2012 led to a 2012 misuse rate that was less than one-tenth of one-percent. VA required that fiduciaries provide detailed financial documents, including bank records, with their annual accountings. This additional information allows VA to verify reported expenditures and identify potential misuse of funds. VA mandated criminal background checks for proposed fiduciaries prior to appointment. These precautionary requirements serve as a deterrent for fiduciaries. VA issued procedures for instructing fiduciaries to provide a copy of VA-approved accountings to beneficiaries. This policy increases transparency of the fiduciary's management of the beneficiary's funds. VA issued guidance to limit calculation of fiduciary fees based upon monthly benefit payments only and eliminate the requirement that fiduciaries seek VA approval of certain expenditures from beneficiary funds. This guidance emphasizes the need for fiduciaries to communicate with beneficiaries and determine whether expenditures are in the beneficiary's interest. VA established telephone units in





the fiduciary hubs to respond to direct inquiries from beneficiaries and fiduciaries and ensure consistent service delivery.

In 2013, VA completed a draft revision of its fiduciary regulations consistent with current law and policies and VBA's recent consolidation of its fiduciary activities at six fiduciary hubs. The proposed rules would clarify the rights of beneficiaries in the program and the roles of VA and fiduciaries in ensuring that VA benefits are managed in the best interest of our most vulnerable beneficiaries. The proposed rules are expected to be published in the Federal Register for public comment in early 2014.

In April 2013, VA implemented a standardized, national training curriculum for fiduciary personnel, which, among other things, addresses applicable fiduciary program policies and procedures, file documentation, account audits and appropriate follow ups, surety bonds, fiduciary appointments, and workload management.

In April 2013, VA deployed Centralized Field Examiner Training. This training provides consistent and standardized instruction targeted at field examiners with less than 1 year of experience. Training includes field examination techniques and customer service, as well as the responsibilities of the fiduciary. VA is developing advanced training modules for journey-level field examiners. The first training module focuses on misuse procedures and is expected to be released in early 2014.

In May 2013, VA increased the number of field examination and accounting cases selected for quality assurance review. VA conducts monthly fiduciary quality reviews on a random sample of the fiduciary workload at each fiduciary hub. The quality review results are used to increase awareness of policy and procedures and guide the development of training when needed.

In August 2013, VA tested the Beneficiary Fiduciary Field System (BFFS), which is the new information technology (IT) system for the fiduciary program. VA anticipates national deployment at the end of December 2013. BFFS will allow VA to leverage existing technology to create an interface with VBA's corporate database, improve reporting processes to enhance workload management capabilities, integrate an automated field examination report generator tool, and improve misuse monitoring. It will greatly improve VA's ability to track beneficiary visits, fiduciaries' annual accountings, and further detect potential misuse.

In August 2013, VA published a "Guidebook for VA Fiduciaries." The new guidebook is targeted to volunteer fiduciaries and will advise fiduciaries about beneficiary rights, fiduciary responsibilities, management of funds, and accounting and audit procedures. In conjunction with the guidebook, VA released an automated accounting preparation tool to assist fiduciaries in preparing their annual accountings.

### **OIG CHALLENGE #3: FINANCIAL MANAGEMENT** ***-Strategic Overview-***

Sound financial management represents not only the best use of limited public resources, but also the ability to collect, analyze, and report reliable data on which resource use and allocation decisions depend. In FYs 2012 and 2013, as a result of an OIG administrative investigation involving wasteful expenditures at two training conferences, VA is redesigning controls over conference management





activities. Further, OIG identified several lapses in sound financial stewardship impacting VA's programs and operations, including its Beneficiary Travel Program (BTP).

Failure in some instances to ensure sufficient funds are available to pay for non-VA care fee services for Veterans is one way in which improper payments occur. Addressing these and other issues related to financial systems, information, and asset management would promote improved stewardship of the public resources entrusted for Departmental use.

### **OIG Sub-Challenge #3A: Lack of Accountability and Control over Conference Costs (Training Support Office (TSO) in the Office of the Secretary<sup>1</sup> – Lead, HRA, VHA, VBA, NCA)**

OIG conducted an administrative investigation upon receiving allegations of wasteful expenditures related to Human Resources (HR) conferences held in Orlando, Florida, in July and August 2011. The lack of accountability and controls prevented OIG from obtaining a full accounting of the expenses associated with these conferences. More than a year after the conferences, VA was unable to provide an accurate and complete accounting of costs for these conferences. VA's estimates of the conference expenditures changed multiple times during the course of the administrative investigation. While VA reported lower estimates of conference costs to Congress, OIG reconstructed the costs of the two conference events to be approximately \$6.1 million.

However, OIG could not gain reasonable assurance that this figure represented a complete accounting of the conference costs. Overall, VA's processes and the oversight were too weak, ineffective, and in some instances, nonexistent to ensure that conference costs identified were accurate, appropriate, necessary, and reasonably priced. Accountability and controls were inadequate to ensure effective management and reporting of the dollars spent. OIG questioned about \$762,000 as unauthorized, unnecessary, and/or wasteful expenses.

This administrative investigation was followed by OIG's audit of VA's use of interagency agreements to fund four Financial Management Training Conferences (FMTC) in 2010-2012.

#### **VA's Program Response** **Estimated Resolution Timeframe: 2015** **Responsible Agency Official: Chief of Staff**

#### Completed 2013 Milestones

VA is implementing a comprehensive action plan to revise and strengthen policies and controls on the planning and execution of training conferences and events. These actions are consistent with the recommendations in the September 30, 2012, Inspector General Report and are reflected in VA policy issued on September 26, 2012.

Stringent internal controls for conferences and training conferences are in place and the senior executives in the Department provide oversight. Further, the newly established TSO ensures consistency and adherence with all appropriate regulations and requirements as the Department

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<sup>1</sup> TSO moved to the Office of Management, Financial Services Center, in October 2013.



balances critical training requirements to ensure we achieve stated goals and objectives while minimizing costs.

Automating data collection is essential to provide accurate and timely information for senior leaders so they can execute their responsibilities and respond to queries for training related events from Congressional and other Federal oversight bodies. VA is currently engaged in developing and delivering an automated data collection tool to increase accountability, control conference spending, and produce congressionally required reports.

### **OIG Sub-Challenge #3B: Strengthen Financial Controls Over the BTP (VHA)**

VHA's BTP pays the actual necessary expense of travel, including mileage traveled, to and/or from a Department facility or other place in connection with vocational rehabilitation or counseling, or for the purpose of examination, treatment, or care for certain eligible Veterans. In 1978, VA set the travel mileage reimbursement rate at 11 cents per mile. The rate remained unchanged until February 2008, when VA raised the rate to 28.5 cents per mile. In November 2008, VA raised the mileage reimbursement rate to 41.5 cents per mile. As a result, the BTP experienced a significant growth in both usage and cost. Expenditures for the program increased by approximately 285 percent from FY 2006 through FY 2010.

In February 2013, *OIG's Audit of VHA's Beneficiary Travel Program*, reported serious issues regarding lack of controls over beneficiary travel payments. Specifically, VHA did not perform regular reconciliations of approved travel reimbursements with paid reimbursements, accurately code financial transactions, and reduce the risk of fraudulent payments. This occurred because VHA had not established policies and mechanisms that address reconciliations of BTP financial data, provided adequate training to ensure accurate coding of beneficiary travel expenses, and established procedures to mitigate the risk for making duplicate payments on approved travel reimbursements. In addition, current information system limitations present challenges to performing automated reconciliations.

OIG identified material differences in mileage reimbursements paid compared with approved mileage reimbursements. According to VHA data, VA medical facilities paid approximately \$89 million more in beneficiary travel than the facilities approved during the period from January 1, 2010, through March 31, 2011. OIG determined that approximately \$46.5 million of the variance was in part the result of miscoded charges, but could not determine the reason for the variance of the remaining approximately \$42.5 million. This was because of a lack of an adequate financial audit trail and system limitations.

The audit also revealed that VHA does not have sufficient procedures to reduce the risk of making duplicate payments on approved travel reimbursements. Medical facility staff record only the aggregate value of batched cash reimbursements in VA's Financial Management System (FMS). Staff cannot electronically identify individual cash payments associated with approved beneficiary travel claims which increases the risk of fraudulent payments. For example, after receiving an approved travel reimbursement, a Veteran can photocopy it and provide multiple copies of the approved travel reimbursement for payment. Since no record exists in FMS that an agent cashier made a previous payment for the approved travel, the medical facility is susceptible of paying the Veteran more than once for the same approved travel reimbursement.



As a result of these program vulnerabilities, the number of OIG criminal investigations increased as VA raised beneficiary travel mileage reimbursement rates. In FY 2007, OIG conducted one beneficiary travel fraud investigation. In comparison, in FY 2010, OIG conducted 44 investigations. As of June 2013, OIG has 125 open beneficiary travel investigations. Two recent examples illustrate this type of fraud. In the first example, two Veterans were indicted for bribery, conspiracy to defraud the U.S. Government, and false claims. Previously, five other Veterans and two Seattle, Washington, VAMC travel clerks were charged in this case. An OIG investigation revealed that the seven Veterans participated in a scheme with the VAMC travel clerks to submit inflated and fictitious travel benefit vouchers. The VA employees processed the vouchers and then demanded kickbacks from the Veterans. The loss to VA is estimated to be over \$150,000. In the second example, 16 Veterans were charged with theft of Government property and false statements. A VA OIG, VA Police Service, and Department of Housing and Urban Development OIG investigation revealed that the defendants filed fraudulent travel vouchers at the Cleveland, Ohio, VAMC in order to obtain travel benefits they were not entitled to receive. The loss to VA is over \$242,000.

To deter this fraud, OIG has encouraged prosecutors to issue press releases when judicial action occurs, developed a data analytic tool to proactively identify this fraud in specific facilities, and worked closely with VA to significantly enhance their own data mining efforts and design new warning posters. VHA agreed with OIG recommendations and findings. However, until VHA fully implements planned changes and strengthens authorization and payment controls, VHA will continue to lack reasonable assurance that program costs are accurate and paid only to eligible Veterans.

**VA's Program Response**  
**Estimated Resolution Timeframe: 2014**  
**Responsible Agency Official: Under Secretary for Health**

Completed 2013 Milestones

In October 2012, VHA and the Financial Services Center used VBA payment information to create Veteran records in FMS. FMS records will enable more efficient processing of Veterans' payments using direct deposit. As of October 2013, the current number of Veterans that can receive direct deposit payment is 1,180,094.

This is a decrease from the 1,213,523 cited in May 2013, and is the result of some Veterans requesting that they be removed from direct deposit. Although facilities are encouraging Veterans to enroll for direct deposit, we do not have the ability to enforce compliance with electronic funds transfer (EFT) if the Veteran declines. The current timeline for the debit card, which is an alternative payment mechanism to direct deposit, is currently estimated to be implemented late FY 2014. When that occurs, Veterans will have to choose an EFT payment method unless they have received a waiver from the Treasury.



### **OIG Sub-Challenge #3C: Improve Compliance with the Improper Payments Elimination and Recovery Act, Reduce Improper Payments, and Weaknesses in Non-VA Fee Care Program (VHA)**

VA needs to strengthen its efforts to reduce improper payments to meet Improper Payments Elimination and Recovery Act (IPERA) requirements and report statistically valid estimates. VA reported about \$2.2 billion in improper payments in its FY 2012 Performance and Accountability Report (PAR) and did not comply with four of seven requirements of IPERA in FY 2012. VHA also did not report a gross improper payment rate less than 10 percent or meet a reduction target for its Non-VA Care Fee program. While not a matter of noncompliance, VHA could also improve its estimation methodology to achieve the required statistical precision for all of its reported programs. Additionally, VBA did not use statistically valid methodologies to calculate improper payment estimates for some programs or report amounts collected through its activities to recapture improper payments. VA officials provided appropriate action plans and OIG will follow up on VA's progress during our annual review of VA's compliance with IPERA.

VA failed to ensure sufficient funds were available to pay for non-VA care for Veterans resulting in improper payments. The South Texas Veterans Health Care System (STVHCS) authorized \$29 million dollars in fee care in FYs 2009 and 2010 although it did not have sufficient funds obligated and available to pay for the services Veterans received. This occurred because STVHCS did not ensure clinical and fee staff complied with required steps for authorizing the fee care, and assigned staff did not timely process fee care payments. Also, STVHCS clinical and fee staff lacked defined roles and responsibilities, sufficient training, and adequate supervision. Further, neither STVHCS nor VISN 17 management had effective oversight mechanisms in place to ensure sufficient funds were available to pay for the non-VA care received by Veterans. As a result, STVHCS lacked the necessary visibility over these unpaid claims when vendors' invoices were received until fee staff researched, summarized, and processed this information.

VHA continues to face significant challenges in addressing the health care and financial vulnerabilities associated with the Non-VA Fee Care program. OIG reported these challenges in *Audit of Veterans Health Administration's Non-VA Outpatient Fee Care Program* and *Audit of Veterans Health Administration's Non-VA Inpatient Fee Care Program* in 2009 and 2010, respectively. OIG concluded in both reports that controls over pre-authorizing fee care services needed improvement.

#### **VA's Program Response**

**Estimated Resolution Timeframe: 2014**

**Responsible Agency Official: Under Secretary for Health**

#### Completed 2013 Milestones

VHA has completed 100 percent of the action items described in the 2012 PAR to reduce improper payments in the Non-VA Medical Care (NVC) program.

For NVC, VHA is working aggressively to ensure FY 2013 annual reduction targets are met. VHA met and exceeded the target goals in FY 2012 for reducing improper payments in all area reviews except for the NVC program. In 2013, VHA's Chief Business Office (CBO) introduced a Virtual Audit Team that will perform audits of the NVC program at all facilities and VISNs to reduce error rates and achieve reduction



targets. In addition, CBO developed and deployed a Fee Basis Claims System (FBCS) patch to deliver electronic Medicare pricing of eligible FBCS claims which will improve payment timeliness, eliminate manual entry of the payment amounts, and reduce error rates.

VHA worked to establish their 2013 sampling methodology. VHA briefed OIG and submitted the sampling methodology to the Office of Management and Budget (OMB) which approved VHA's statistical sampling methodology in June 2013.

VHA has completed the 2013 IPERA audit of the NVC program and successfully met the reduction target. The audit results were reviewed and a statistically valid analysis was performed by the national IPERA contract staff in response to a contract requirement.

VBA also worked with VA to establish VBA's 2013 sampling methodology. This sampling methodology was developed to achieve a statistical precision of 90 percent confidence interval with a 2.5 percent margin of error as required by IPERA. The sampling methodology was submitted to OMB on February 11, 2013. OMB approved VBA's statistical sampling methodology on June 28, 2013.

#### **OIG CHALLENGE #4: PROCUREMENT PRACTICE** **-Strategic Overview-**

VA operations require the efficient procurement of a broad spectrum of services, supplies, and equipment at national and local levels. OIG audits and reviews continue to identify systemic deficiencies in all phases of the procurement process to include planning, solicitation, negotiation, award, and administration. OIG attributes these deficiencies to inadequate oversight and accountability.

Recurring systemic deficiencies in the procurement process, including the failure to comply with the Federal Acquisition Regulation (FAR) and VA Acquisition Regulation, and the lack of effective oversight increase the risk that VA may award contracts that are not in the best interests of the Department. Further, VA risks paying more than fair and reasonable prices for supplies and services and making overpayments to contractors. VA must improve its acquisition processes and oversight to ensure the efficient use of VA funds and compliance with applicable acquisition laws, rules, regulations, and policies.

#### **OIG Sub-Challenge #4A: VA Can Achieve Significant Procurement Savings (VHA-Lead, OM, OALC)**

In August 2013, OIG's *Audit of Non-Purchase Card Micro-Purchases*, reported that VA medical facilities missed opportunities to achieve significant procurement savings by maximizing the use of purchase cards for micro-purchases. OIG estimated VHA missed opportunities to decrease procurement-processing costs by about \$20 million and obtain additional rebates of about \$4 million. Medical facilities have two primary methods to make micro-purchases: purchase cards and purchase orders. Purchase card use helps VHA quickly procure supplies and services to ensure Veterans receive timely medical care. Typically, processing purchase card procurements may take up to 3 days, while processing purchase order procurements can take up to 30 days. Obtaining supplies and services by purchase card streamlines the procurement process, while using purchase orders is more complex and



time consuming. The \$20 million savings represents the difference in labor costs for processing purchase card and non-purchase card transactions. By increasing purchase card use, VA medical facilities can increase productivity by shifting staff efforts from resource-intensive non-purchase card processing costs to other medical facility activities. In particular, eliminating the time contracting staff spend on processing micro-purchases is important due to a reported shortage of contracting specialists/officers positions throughout the Federal government.

VHA also missed opportunities to obtain estimated annual rebates of almost \$4 million. VA executives have recognized rebates and other benefits related to purchase card use and have emphasized purchase card use to procure supplies and services. Over the last 5 fiscal years, VHA's reported rebates increased 51 percent from about \$43 million in FY 2008 to just over \$65 million in FY 2012. Although VHA has increased the amount of rebates earned through increased purchase card use, opportunities still exist for VHA to earn additional rebates. By maximizing the use of purchase cards for micro-purchases, VHA can increase purchasing efficiency and cost-effectiveness by \$24 million annually and \$120 million over the next 5 years. These improvements will help VHA address challenges to create a more efficient, effective, and coordinated acquisition program to ensure VHA protects taxpayers' interest when procuring supplies and services.

### **VA's Program Response**

**Estimated Resolution Timeframe: 2014**

**Responsible Agency Official: Under Secretary for Health**

#### Completed 2013 Milestones

OIG published the *Audit of Non-Purchase Card Micro-Purchases* on August 9, 2013. VHA has developed an action plan in response to OIG's recommendations that will be implemented during 2014.

The VHA Procurement and Logistics Office (P&LO) will generate a report that identifies all purchases below the micro-purchase threshold level for FY 2012. P&LO will identify the number and amount of micro-purchases that have been obligated through VHA procurement. P&LO will establish monthly monitors of the total universe of micro-purchase thresholds and the number of micro-purchases effected through the procurement organization P&LO, and in conjunction with the VHA Chief Financial Officer, will establish performance targets to increase the percent of micro-purchases made with government purchase cards. Performance of VISNs will be reviewed regularly with VISN leadership throughout the year. VHA Deputy Under Secretary for Health for Operations and Management will develop recommended policies for VISNs to perform periodic reviews of micro-purchases utilizing the government purchase card. Periodic reviews will be performed by VISN Financial Quality Assurance Managers.

#### **OIG Sub-Challenge #4B: Improve Oversight of Interagency Agreements (OALC- Lead, HRA)**

VA has funded several of its training academies and workforce training under ADVANCE. OIG has reported the lack of VA oversight of ADVANCE's use of interagency agreements (IA), which represent a significant portion of ADVANCE spending. VA incurred almost \$2.8 million in costs under IAs with the Office of Personnel Management (OPM) to hold two HR conferences in Orlando, Florida. VA relied upon its ADVANCE program to manage the funding needed to provide many of the conference support services. The issues associated with the HR conference expenditures magnify the process failures reported in an earlier OIG report, *Audit of VA's ADVANCE and the Corporate Senior Executive*





*Management Office Human Capital Programs.* During this prior audit, OIG reported that VA needed to strengthen its management of IAs with OPM and improve its measures to more accurately assess program impact. VA did not establish adequate controls over IA costs and terms, lacked reasonable assurance it effectively spent program funds during FYs 2010 and 2011, and did not evaluate the reasonableness of IA service fees.

In June 2013, OIG reported that VA expanded the terms of their Veteran Employment Services Office's (VESO) IA with OPM to provide VESO with two Veteran employment call centers operating 24 hours a day, 7 days a week. These call centers had call volumes so low during a 13-month period that call center employees each handled an average of 2.4 calls per day.

VA also funded the IA to develop and maintain a Veteran employment Web site for VESO, which duplicated key components of two existing VA Veteran employment Web sites. VESO awarded a \$4.4 million 1-year contract to acquire HR support services that duplicated VESO's own internal HR capabilities and contracted for certain inherently Governmental functions. These costly and excessive acquisitions occurred because VESO did not conduct a thorough analysis to justify the need for the acquired support services. As a result, OIG estimated VESO will spend at least \$13.1 million during FYs 2013 through 2015 on excess call center capacity unless action is taken to align call center capacity with Veteran use and demand.

These funds, along with the estimated \$4.4 million that will be spent on the HR support services contract in FY 2013, could be better used to provide Veteran employment services with greater efficiency and accountability. By strengthening its management controls and improving its program impact measures, VA could improve its accountability over ADVANCE program funds. Implementation of these controls will be critical for VA to effectively manage the risks associated with future program initiatives, especially the oversight of conference management and management of active IAs.

In September 2013, OIG also reported that VA inappropriately paid about \$5.3 million of a total \$6.7 million spent for separately priced item (SPI) purchases and related service fees for three financial management conferences held in 2010 and 2011. SPIs can be purchased as incidental items to support tasks developed under IAs. VA and OPM lacked documentation of required approvals for approximately \$3.4 million of the \$6.7 million spent. In addition, VA paid the vendor about \$697,000 in inappropriate service fees and paid OPM about \$132,000 in service fees associated with inappropriate SPI purchases. Among the recommendations OIG made to VA in September 2013 were to consider discontinuing the use of assisted acquisition IAs with OPM, provide visibility and oversight over SPI purchases by approving proposed purchases in advance, and improve the transparency over SPI costs by reviewing detailed invoices before approving payments. SPI purchases under IAs had not been a focus in our prior conference management reviews. However, strong oversight controls are needed over these purchases and better assurance that these expenditures are economical and in the best interest of VA.

### **VA's Program Response**

**Estimated Resolution Timeframe: 2014**

**Responsible Agency Official: Principal Executive Director**

#### Completed 2013 Milestones

OALC has revised and issued VA policy on IAs to implement changes to the FAR Subpart 17.5, Interagency Acquisitions, which broadens the scope to include any IA including Federal Supply





Schedule orders exceeding \$500,000; requires formal determination of an IA as the “best procurement approach,” development of a business case for multi-agency contracts, and written agreements stipulating VA and servicing agency roles and responsibilities; and submission of an annual agency IA report to OMB.

OALC coordinated with VA’s Office of Human Resources and Administration (HRA), as well as OPM to strengthen oversight of appropriate costs and deliverables. Specific activities include the following:

OALC amended all of the IAs to increase the oversight controls when receiving financial data. Additionally all IA management plans at OPM have been reviewed to specifically address the separately priced items required in P.L. 112-154.

OALC and OHRA are actively implementing a plan to transition the OHRA/Human Capital Investment Plan (HCIP) requirements away from IAs. OALC and OHRA, in conjunction with OPM, are revisiting VA’s required submissions on Department of Treasury FMS Forms 7600 A and B for the HCIP Initiatives to ensure alignment of the management plans to tasks identified in the FMS Form 7600B. Further, revisions to the information required for completion of FMS Form 7600A, which address general terms and conditions, will include language that will require the delivery of all OPM invoices correlating with OPM vendor deliverable receipt forms. The revisions are scheduled to be completed in 1<sup>st</sup> quarter FY 2014. OHRA’s 2014 acquisition strategy is to work all contract award efforts, other than interagency agreements, through the Strategic Acquisition Center-Frederick (SAC-F).

To address the findings from the OIG audit of the *VA for Vets* call centers, the Acting Assistant Secretary for HRA and representatives from VESO met with OPM to discuss the IAA for the call centers. OPM conducted an analysis and concluded that the vendor delivered products to the standards of the requirements specified by VA. The IA with OPM ended on September 29, 2013. Subsequently, VA reviewed the needs of the VESO program and eliminated the call centers. Although a new solicitation was made public, the solicitation was withdrawn. Had a contract been awarded, it would not have been an IA. After a thorough analysis is conducted, decisions will be made in 2014 to determine if any scope of work is required. Any such decision will be based on the best value to VA, U.S. taxpayers, and America’s Veterans.

#### **OIG Sub-Challenge #4C: Sound Information Technology Procurement Practices (OIT)**

A data breach in May 2006 evoked heightened and immediate concern regarding the protection of VA personally identifiable information (PII). In August 2006, the VA Secretary mandated that all VA computers would be upgraded with enhanced data security encryption software. However, in October 2012, OIG substantiated a Hotline allegation that OIT had not installed and activated an additional 100,000 licenses purchased in 2011. As of July 2012, OIT officials stated that due to inadequate planning and management, they had installed and activated only a small portion, about 65,000 (16 percent), of the total 400,000 licenses procured. Specifically, OIT did not allow time to test the software to ensure compatibility with VA computers, ensure sufficient human resources were available to install the encryption software on VA computers, and adequately monitor the project to ensure encryption of all VA laptop and desktop computers.

As such, 335,000 (84 percent) of the total 400,000 licenses procured, totaling about \$5.1 million in questioned costs, remained unused as of 2012. Given changes in VA technology since 2006, VA lacked



assurance that the remaining software licenses were compatible to meet encryption needs in the current computer environment. Further, because OIT did not install all 400,000 encryption software licenses on VA laptop and desktop computers, Veterans' PII remained at risk of inadvertent or fraudulent access or use.

In 2013, OIT performed an assessment and decided to move forward with the deployment of the encryption software. However, as of April 2013, OIT has only managed to deploy approximately 47,000 of the 335,000 remaining encryption software licenses and may face challenges to meet its projected goal of complete implementation of the remaining software encryption licenses by the end of FY 2013. Further, OIT has not provided assurances that adequate IT resources are available to better ensure the implementation, as recommended.

### **VA's Program Response**

**Estimated Resolution Timeframe: 2014**

**Responsible Agency Official: Deputy Assistant Secretary for Information Security and Deputy Assistant Secretary for Service Delivery and Engineering**

#### Completed 2013 Milestones

Throughout 2013, OIT worked to improve its IT procurement practices to ensure that it made sound decisions in regards to IT procurements and to continue to be a good steward of its funding. To do this, a Strategic Investment Tool was created to conduct analyses that are used to determine the most impactful and cost-effective IT solutions.

Initially, when the contract was executed to purchase the licenses, laptops were targeted first and we made significant progress encrypting all laptops. Desktops were targeted as well, but there were numerous issues due to the diversity of the devices in the field. The technology, at the time, was relatively new to the Federal Government and to an enterprise the size of VA. In addition, VA's planned rollout of the Windows 7 Operating System on desktop computers introduced unforeseen testing and compatibility issues with the encryption software. That issue has been resolved and VA is now rolling out encryption alongside Windows 7 with a targeted completion date of December 2013.

As of the end of September 2013, 293,640 Windows 7 desktops and 34,237 laptops were equipped with Symantec Endpoint Encryption encryption capabilities. OIT has proactively implemented a top-level policy to automatically encrypt laptops as they are introduced to the network.

### **OIG CHALLENGE #5: INFORMATION MANAGEMENT**

#### ***-Strategic Overview-***

The use of IT is critical to VA providing a range of benefits and services to Veterans, from medical care to compensation and pensions. If managed effectively, IT capital investments can significantly enhance operations and support the secure and effective delivery of VA benefits and services. However, when VA does not properly plan and manage its IT investments, they can become costly, risky, and counterproductive. Lacking proper safeguards, computer systems also are vulnerable to intrusions by groups seeking to obtain sensitive information, commit fraud, disrupt operations, or launch attacks against other systems.



Under the leadership of the Chief Information Officer, VA's OIT is positioning itself to facilitate VA's transformation into a 21<sup>st</sup> century organization through improvement strategies in five key IT areas: (1) quality customer service; (2) continuous readiness in information security; (3) transparent operational metrics; (4) product delivery commitments; and (5) fiscal management. OIT's efforts are also focused on helping accomplish VA's top three agency priority goals of expanding access to benefits and services, eliminating the claims backlog in 2015, and ending Veteran homelessness in 2015.

However, OIG oversight work indicates that additional actions are needed to effectively manage and safeguard VA's information resources and processing operations. As a result of our FY 2012 Consolidated Financial Statements Audit, our independent auditor reported that VA did not substantially comply with requirements of the Federal Financial Management Improvement Act of 1996. While providing an unqualified opinion on the consolidated financial statements, for the 12<sup>th</sup> year in a row the independent auditor has identified IT security controls as a material weakness.

OIG work indicates VA has only made marginal progress toward eliminating the material weakness and remediating major deficiencies in IT security controls. VA could not readily account for the various systems linkages and sharing arrangements with affiliate organizations, leaving sensitive Veterans' data at unnecessary risk of unauthorized access and disclosure. OIT also has not fully implemented competency models, identified competency gaps, or created strategies for closing the gaps to ensure its IT human capital resources will support VA in accomplishing IT initiatives and mission goals well into the future. Despite implementation of the Program Management and Accountability System (PMAS) to ensure oversight and accountability, VA is still challenged in effectively managing its IT systems initiatives to maximize the benefits and outcomes from the funds invested.

### **OIG Sub-Challenge #5A: Development of an Effective Information Security Program and System Security Controls (OIT)**

Secure systems and networks are integral to supporting the range of VA mission-critical programs and operations. Information safeguards are essential, as demonstrated by well-publicized reports of information security incidents, the wide availability of hacking tools on the internet, and the advances in the effectiveness of attack technology. In several instances, VA has reported security incidents in which sensitive information has been lost or stolen, including PII, exposing millions of Americans to the loss of privacy, identity theft, and other financial crimes. The need for an improved approach to information security is apparent, and one that senior Department leaders recognize.

Recent work on the Consolidated Financial Statements Audit supports our annual Federal Information Security Management Act (FISMA) assessment. During FY 2012, while our annual FISMA assessment was ongoing, VA instituted the Continuous Readiness in Information Security Program (CRISP) to ensure continuous monitoring year-round and establish a team responsible for resolving the IT material weakness. As our FISMA work progressed, OIG noted more focused VA efforts to implement standardized information security controls across the enterprise. OIG also saw improvements in role-based and security awareness training, contingency plan testing, reduction to the number of outstanding Plans of Action and Milestones (POA&M), development of initial baseline configurations, reduction in the number of IT individuals with outdated background investigations, and improvement in data center Web application security. However, the CRISP initiative was not launched until March 2012 and the improved processes have not been implemented for an entire FY with the opportunity to demonstrate sustained improvements in information security.



As such, the FY 2012 FISMA audit report discussed control deficiencies in four key areas: configuration management controls, access controls, change management, and service continuity controls. Improvements are needed in these key controls to prevent unauthorized access, alteration, or destruction of major application and general support systems. VA had over 4,000 system security risks and corresponding POA&Ms that still need to be remediated to improve its overall information security posture. More importantly, OIG continued to identify significant technical weaknesses in databases, servers, and network devices that support transmitting sensitive information among VA facilities. Many of these weaknesses may be attributed to inconsistent enforcement of an agency-wide information security program across the enterprise and ineffective communication between VA management and the individual field offices.

OIG's FY 2012 FISMA report provided 27 current recommendations to the Assistant Secretary for Information and Technology for improving VA's information security program. The report also highlighted 5 unresolved recommendations from prior years' assessments for a total of 32 outstanding recommendations. Overall, we recommended that VA focus its efforts in the following areas:

- Addressing security-related issues that contributed to the IT material weakness reported in the FY 2012 Consolidated Financial Statements Audit of the Department.
- Successfully remediating high-risk system security issues in its POA&Ms.
- Establishing effective processes for evaluating information security controls via continuous monitoring and vulnerability assessments.

OIG continues to evaluate VA's progress during the ongoing FY 2013 FISMA audit and acknowledges increased VA efforts to improve information security, but OIG is still identifying repeat deficiencies, albeit to a lesser extent. Upon completion of the FY 2013 FISMA testing and related work, OIG will make a determination as to whether VA's improvement efforts are successful in overcoming the IT material weakness.

A range of additional OIG audits and reviews over the past 2 years have exemplified VA's information security controls deficiencies. For example, in March 2013, the OIG reported that VA was transmitting sensitive data, including PII and internal network routing information, over an unencrypted telecommunications carrier network. VA OIT personnel disclosed that VA typically transferred unencrypted sensitive data, such as electronic health records and internal Internet protocol addresses, among certain VAMCs and Community-Based Outpatient Clinics using an unencrypted telecommunications carrier network. OIT management acknowledged this practice and formally accepted the security risk of potentially losing or misusing the sensitive information exchanged. VA has not implemented technical configuration controls to ensure encryption of sensitive data despite VA and Federal information security requirements. Without controls to encrypt the sensitive VA data transmitted, Veterans' information may be vulnerable to interception and misuse by malicious users as it traverses unencrypted telecommunications carrier networks. Further, malicious users could obtain VA router information to identify and disrupt mission-critical systems essential to providing health care services to Veterans.

Further, in February 2012, OIG reported that VA did not adequately protect sensitive data hosted within its System-to-Drive-Performance (STDP) application. Specifically, OIG determined that more than 20 system users had inappropriate access to sensitive STDP information. Further, OIG reported that project



managers did not report unauthorized access as a security event as required by VA policy. STDP project managers were not fully aware of VA's security requirements for system development and had not formalized user account management procedures. Inadequate Information Security Officer oversight contributed to weaknesses in user account management and failure to report excessive user privileges as security violations. As a result, VA lacked assurance of adequate control and protection of sensitive STDP data. VA OIT concurred with OIG's recommendation and plans to implement a VA-wide encryption solution to mitigate these security risks.

In July 2011, OIG reported that certain contractors did not comply with VA information security policies for accessing mission critical systems and networks. For instance, contractor personnel improperly shared user accounts when accessing VA networks and systems; did not readily initiate actions to terminate accounts of separated employees; and did not obtain appropriate security clearances or complete security training for access to VA systems and networks. OIG concluded that VA has not implemented effective oversight to ensure that contractor practices comply with its information security policies and procedures. Contractor personnel also stated they were not well aware of VA's information security requirements. As a result of these deficiencies, VA sensitive data is at risk of inappropriate disclosure or misuse.

### **VA's Program Response**

**Estimated Resolution Timeframe: 2014**

**Responsible Agency Official: Deputy Assistant Secretary for Information Security**

#### Completed 2013 Milestones

OIT continued efforts to improve its information security program and system security controls throughout 2013 by addressing findings in the 2012 FISMA Report regarding configuration management, access controls, change management, and service continuity controls. We continue to improve our security posture through existing initiatives such as the agency-wide CRISP, and the closing out of POA&Ms. Since October 2012, the number of open POA&Ms has almost halved and the trend continues to decline. High-severity POA&Ms have also decreased by one-third. We have also implemented new initiatives, such as the Governance, Risk, and Compliance (GRC) tool, Agilance RiskVision OpenGRC (RiskVision), which establishes effective processes for evaluating information security controls by further instituting continuous monitoring throughout VA's network.

Regarding the March 2013 OIG report that VA has not implemented technical configuration controls to ensure encryption of sensitive data, OIT non-concurred with this finding. VA Directive 6609 provides policy that can be used for mailing personally identifiable and sensitive information when encrypted email is not available. Furthermore, when employees sign the VA Rules of Behavior, they agree to use VA approved encryption to encrypt any e-mail, including attachments to the email that contains VA sensitive information before sending the e-mail. Employees agree that they will not send any email that contains VA sensitive information in an unencrypted form.

Regarding the February 2012 OIG report that VA did not adequately protect sensitive data hosted within its STDP application, OIT has taken the following actions: OIT ensures that its employees on the STDP project receive the necessary role-based security training to address the issues highlighted in the February 2012 report. In addition, Information Security Officers (ISO) are assigned to oversee STDP development activities, ensure proper approval of requests for user access to the system at the



appropriate levels, perform checks locally before system access is granted, and report information security events in accordance with VA policy.

Regarding the July 2011 OIG conclusion that VA has not implemented effective oversight to ensure that contractor practices comply with our information security policies and procedures, OIT has taken the following actions: First, VA holds a mandatory annual training stand down where every VA facility must certify 100 percent training compliance for *VA Privacy and Information Security Awareness Training and Rules of Behavior* for all VA employees, contractors, resident-trainees, and volunteers/Veterans Service Organization representatives within their area of responsibility in the set timeframe. Contractors that are not compliant with VA's Privacy and Information Security Awareness Training and Rules of Behavior requirement will have their VA network access removed. Also, new contractors may not be given access to any VA information or information systems until they have completed this training requirement. Action items are being issued approximately every 6 months for ISO and service delivery and engineering IT operations personnel to conduct reviews of separated user accounts; this includes review of contractor accounts.

#### **OIG Sub-Challenge #5B: Interconnections with University Affiliates (OIT-Lead, VHA)**

In October 2012, OIG reported that VA has not consistently managed its systems interconnections and data exchanges with its external research and university affiliates. Despite Federal requirements, VA could not readily account for the various systems linkages and sharing arrangements. VA also could not provide an accurate inventory of the research data exchanged, where data was hosted, or the sensitivity levels. In numerous instances, OIG identified unsecured electronic and hardcopy research data at VAMCs and co-located research facilities.

OIG determined that VA's decentralized data governance approach has been ineffective to ensure that research data exchanged is adequately controlled and protected throughout the data life cycle. VA and its research partners have not consistently instituted formal agreements requiring that hosting facilities implement controls commensurate with VA standards for protecting the sensitive data. The responsible VHA program office's decentralized approach to research data collection and oversight at a local level has not been effective to safeguard sensitive VA information. For several years, leading Federal and industry sources have proposed a more centralized model for improving governance of sensitive data throughout the data life cycle. Federal and industry sources also emphasize that effective data governance should provide centralized policies, procedures, and resources to effectively identify important data and securely manage them. Because of these issues, VA data exchanged with its research partners was considered to be at risk of unauthorized access, loss, or disclosure.

#### **VA's Program Response**

**Estimated Resolution Timeframe: 2014**

**Responsible Agency Official: Under Secretary for Health and Assistant Secretary for Information and Technology**

#### Completed 2013 Milestones

All Memoranda of Understanding (MOU) and Interconnection Security Agreements (ISA) are currently under review by the OIT and will be established or updated to reflect operational environments. The review of all MOU/ISAs is currently 79.5 percent complete. A total of 162 air gapped connections have been identified and documented as part of this process.





OIT has established a review group to examine the current templates in use and the process for updating and reviewing MOU/ISAs. Target date for completion of this review, and the revisions to the current MOU/ISA templates and process, is August 30, 2013.

OIT and VHA continue to develop a set of guidelines for conducting oversight of research labs. A workgroup consisting of OIT Field Security Service and VHA Office of Research and Development subject matter experts has been convened to draft guidelines and once matured, will be sent to OIT and VHA leadership for review. Target date for completion of these guidelines is 1<sup>st</sup> quarter of 2014. An action plan for conducting oversight reviews of research labs will be completed after the guidelines are developed.

VHA appreciates the importance of an accurate inventory of collected research data, compliance with research protocol requirements on data collection, and secure management of research information over the data life cycle. However, modalities for ensuring these elements of data management do not currently exist in government or private research settings. VHA continues to consider whether the simple solution of a centralized data governance and storage model would achieve the needs of complex research data management and whether such a model would be feasible or appropriate. Such a governance and management model would take considerable human and monetary resources. A cost-benefit analysis has yet to be performed to determine whether the benefit to be gained by such a system is appropriate to the level of resourcing required to develop, implement, and manage it over time. VHA has been working with OIT to develop questions that need to be answered with respect to a centralized repository. Issues associated with centralization are intimately related to issues associated with data sharing.

### **OIG Sub-Challenge #5C: Strategic Management of Office of Information Technology Human Capital (OIT)**

OIT provides IT systems support in the provision of benefits and health care services to our Nation's Veterans. However, within the next 5 years, OIT may face a loss of over 40 percent of its leadership and technical employees, which could threaten institutional knowledge and mission-critical IT capabilities as VA moves forward in the 21<sup>st</sup> century. Given the potential loss of critical staff, OIT has not established a strategic approach to mitigate and manage its human capital. Instead, OIT has been managing its human resources in an ad hoc manner with no clear vision. Although OIT recognizes the importance of strategic human capital management, it has not made it a priority and does not have the leadership and staff in place to support implementation of an OIT human capital strategy.

OIT has not fully implemented competency models, identified competency gaps, or created strategies for closing the gaps. OIT also has not captured the data needed to assess how well contractor support supplements OIT staffing and fills competency gaps. Moreover, OIT lacks assurance that it has made cost-effective decisions regarding how it spent money on contractors. Finally, OIT has not established a mechanism to evaluate the success of its human capital initiatives. As a result, OIT has no assurance it has effectively managed its human capital resources to support VA in accomplishing its mission. Once the strategy and competencies are in place, OIG will revisit this issue to determine the overall effectiveness of OIT's human capital management.





**VA's Program Response**  
**Estimated Resolution Timeframe: 2014**  
**Responsible Agency Official: Director, Human Capital Management**

Completed 2013 Milestones

OIT developed and implemented the OIT Human Capital Strategic Plan (HCSP), FY 2014 - 2020, and released it as scheduled on October 1, 2013. The plan was developed by OIT's Human Capital Strategic Working Group, with guidance from VA's Office of Human Resources Management Office of Workforce Planning. The HCSP is aligned with VA's missions, goals and objectives, and the performance measures and milestones outlined in the Human Capital Assessment and Accountability Framework. The HCSP is also linked to the following VA Plans:

- VA Strategic Plan Draft 2014-2020
- VA Strategic Plan Refresh FY 2011-2015
- VA Information Resource Management Strategic Plan Draft, May 15, 2013
- Office of Human Resources and Administration (HRA) Strategic Plan Draft 2014-2020
- IT Strategic Plan Draft FY 2012-2015
- Diversity and Inclusion Strategic Plan FY 2012-2016

OIT's HCSP identifies goals to remove the "ad hoc" nature of managing human resources while establishing linkage with HRA and servicing human resource stations. While we are making progress in identifying competency gaps we still have progress to make in first identifying the competency level of each employee. As of October 31, 2013, OIT has completed individual competency assessments on 93% of the 7,579 OIT employees in the Talent Management System and will continue working towards 100% completion. The number will continually change as organizational gains and losses occur.

**OIG Sub-Challenge #5D: Effective Oversight of Active IT Investment Programs and Projects (OIT-Lead, VBA, VHA)**

VA is challenged to ensure appropriate investment decisions are made and that annual funding decisions for VA's IT capital investment portfolio will make the best use of VA's available resources. In 2011, OIT instituted PMAS, constituting a major shift from the way VA historically has planned and managed IT development projects. PMAS was designed as a performance-based management discipline that provides incremental delivery of IT system functionality—tested and accepted by customers—within established schedule and cost criteria. As of May 2012, OIT was managing all 134 active development programs and projects using PMAS. An additional 46 projects were in the planning stage, while 30 projects were classified as new starts.

However, our 2011 audit showed the current PMAS framework did not provide a sound basis for future success. OIG reported that a lot more work remained to be done before PMAS could be considered completely established and fully operational. OIT had instituted the PMAS concept without a roadmap identifying the tasks necessary to accomplish it or adequate leadership and staff to effectively implement and manage the new methodology. OIT did not establish key management controls to ensure PMAS data reliability, verify project compliance, and track project costs. OIT also did not put in place guidance on how such controls should be used within the framework of PMAS to manage and oversee IT projects. Lacking such foundational elements, OIT has not instilled the discipline and accountability needed for effective management and oversight of IT development projects. Until these



deficiencies are addressed, VA's portfolio of IT development projects will remain susceptible to cost overruns, schedule slippages, and poor performance.

VA has a longstanding history of challenges in effectively managing IT development projects. For example, the Veterans Service Network (VETSNET) program, VA's effort to consolidate Compensation and Pension (C&P) benefits processing into a single replacement system, has faced a number of cost, schedule, and performance goal challenges. In May 2009, VBA estimated the total cost of VETSNET to be more than \$308 million—more than three times the initial cost estimate. After more than 15 years of VBA development, including management and process improvements, VETSNET has the core functionality needed to process and pay the majority of C&P claims. However, work remains to meet the original goals for VETSNET. Major releases of the system were also developed with unstable functional requirements, resulting in inadequate time to fully test software changes. Consequently, major releases of VETSNET contained functions that did not operate as intended and many system defects were deferred or corrected in subsequent software releases. Further complicating matters, VBA has recently launched several high profile IT initiatives that will leverage VETSNET to make benefit payments. These overlapping IT initiatives increase the risks that VBA will experience further delays in achieving the original VETSNET goals.

As of September 2012, VA had not fully tested VBMS. Due to the incremental software development approach VA chose, the system had not been fully developed to the extent that its capability to process claims from initial application through review, rating, award, to benefits delivery could be sufficiently evaluated. As VA expected, the partial VBMS capability deployed to date had experienced system performance issues. Further, scanning and digitization of Veterans' claims lacked a detailed plan and an analysis of requirements. OIG identified issues hindering VBA's efforts to convert hard copy claims to electronic format for processing within VBMS, including disorganized electronic claims folders and improper management of hard copy claims.

VA senior officials have taken recent actions to improve. However, given the incremental system development approach used and the complexity of the automation initiative, VA will continue to face challenges in meeting its goal of eliminating the backlog of disability claims processing by 2015. Because the system was in an early stage of development at the time of OIG's review, OIG could not examine whether VBMS was improving VBA's ability to process claims with 98 percent accuracy. However, OIG continues to examine VBMS implementation, functionality, and security as part of an ongoing audit in 2013.

**VA's Program Response**  
**Estimated Resolution Timeframe: 2014**  
**Responsible Agency Official: Deputy Chief Information Officer**

Completed 2013 Milestones

The characterization by OIG does not reflect that for the third year in a row OIT has delivered on greater than 80 percent of all increments for scheduled commitments and 98 percent of all increments in under 6 months. Examples of OIT effective oversight include the International Classification of Diseases, 10<sup>th</sup> edition (ICD-10) Conversion of Class 1 Clinical Remaining Products, Revenue Improvement and Systems Enhancements (RISE) – National Insurance File, and VBMS Phase 4. The accountability at the core of the



PMAS framework drives greater customer engagement and expectation for smaller, more incremental deliveries. As a result, rather than delivery of large code sets months after business requirements are known, project managers are incentivized to deliver early and often to ensure customer acceptance and satisfaction. Providing on-time delivery coupled with necessary solutions is indicative of how PMAS engages leadership at all levels and focuses project manager delivery efforts.

As Pharmacy Rengineering (PRE) and PMAS have evolved, project teams have improved their ability to determine an achievable increment-sized scope. Reviews now include function-point counts as well as an assessment of risks and dependencies. OIT requires Milestone Reviews and pre-briefs for each increment; a project will not be approved if the milestone dates, budget and technical approach are not achievable. Milestone Reviews require senior management representation from each of the primary organizations under the CIO. Each of these Milestone Reviews also involves not less than three levels of review before full approval: Level 1 IPT Approval, Level 2 Pre-brief Approval, and Level 3 Formal Milestone Brief Approval.

OIT established and implemented the recommended controls to ensure IT projects have sufficient leadership and staff assigned throughout the project life cycle prior to the release of the draft OIG report. OIT leaders are engaged in the Integrated Project Team(IPT), Milestone Review, and competency Resource Management Council (RMC) processes. OIT has implemented the red flag and Techstat processes to gain senior management assistance when a project manager has resource requirements for an Active PMAS project that cannot be met through the RMC. Red Flags serve to escalate the priority level of a resource request that goes to the competency model for staffing. OIT now uses the competency model to prioritize and allocate staffing for each project increment. Under this model, the project manager requests resources through the Project Management Council (PMC) and RMC based on the resource requirements identified in their project plans. Once the PMC approves and prioritizes a resource request, the RMC will work within the competency organization to match resources to the highest priority needs.

OIT has already addressed funding, until a decision is made regarding transferring the PRE effort to the Integrated Electronic Health Record (iEHR) project, prioritization through the IT Planning, Prioritization, Budget, and Execution (IT PPBE), IT Leadership Board (ITLB), and the Budget Operating Plan (BOP) process. These processes ensure adequate plans for resources and funding based on the transformation priorities of the department, and the prioritization input of the VA Staff Offices. OIT merely executes development funds in accordance with the prioritization guidance it receives from the IT PPBE, ITLB, and BOP. Current plans do not call for PRE to be absorbed into iEHR in FY 2014. Instead, under current plans, PRE will move forward as an independent project. The FY 2014 funding request for PRE was submitted to the BOP. Depending on the priority of the PRE project among other OIT projects, it may or may not be funded in FY 2014. Finally, it is also likely that the FY 2014 continuing resolution, which provides significantly reduced funding than was requested in the President's FY 2014 budget, may cause funding constraints that undermine VA's planning efforts.



PRE's record on deployment/implementation increments shows PRE has been very effective at completing them in less than 6 months. The schedule challenges are occurring in the period of Initial Operating Capabilities (IOC), before deployment increments. Because current policies and procedures do not include reporting for the IOC period, this data is not tracked on the PMAS Dashboard. OIG has misunderstood the difference between the IOC period (IOC entry to IOC exit) and the PMAS Deployment/Implement increment period which starts after IOC exit. OIG is focusing on the increment segment, which is not the true problem. The IOC segment is the true problem.

PMAS is the disciplined approach VA employs to ensure on-time delivery of IT capabilities. PMAS establishes the framework that ensures the customer, IT project team, vendors and all stakeholders engaged in a project focus on a single compelling mission – achieving on-time project delivery. From the very inception of PMAS, VA leadership planned to systematically expand the scope and function of PMAS over time. PMAS continues to evolve and now includes a variety of accountability structures to ensure not only that IT development projects are effectively managed, but also to ensure that the IT products that are delivered meet strict, well-defined quality, functionality and customer requirements.

The current version of PMAS (4.0) already uses the PMAS Dashboard to track the total time needed to deploy an increment. This change was implemented under PMAS 4.0 as "implementation" increments which begin after IOC exit and after Milestone 2. All current and past versions of PMAS and the PMAS Dashboard also track "development" increments. These increments end either at IOC entry or when the customer signs off and does not want to proceed to IOC entry without first working on a subsequent development increment. For some PMAS projects, this period of time consists of recursive testing and defect repair cycles until production testing reveals that the functionality is ready for additional production sites. This IOC period is not tracked on the dashboard, except in rare exceptions to the current PMAS 4.0 practices. The PMAS Dashboard has been enhanced to track all periods of time within a project, including testing, and this functionality will be available after the February 2014 implementation.

PMAS is an evolving set of policies, practices, and methodologies which have progressed through lessons learned and best practices over the past 4 years. Many findings reflect lapses in data collection and reporting, which were present in the previous iterations of PMAS, but PMAS has since matured to provide tailored workflows and guidance for the software development lifecycle.

PMAS Dashboard has already developed requirements to track IOC, testing, and deployment, which will ensure monitoring within the PMAS Dashboard of the time needed to develop and deploy IT software. OIT implemented all but the IOC period tracking in FY 2013.

A reliable methodology and guidance for capturing and reporting project costs at the increment level was established by OIT's Product Development (PD) organization in FY 2013, with 86 percent of eligible PD contracts executing at the increment level. PRE will adapt to this methodology and guidance in FY 2014.

OIT established guidance on planning well thought-out and achievable software development project increments as part of the PMAS Milestone Review process. OIT published this guidance in PMAS



Guide 4.0 in November of 2012.

Controls to ensure IT projects have sufficient leadership and staff assigned throughout the lifecycle has already been established through leadership engagement in the IPT, Milestone, and competency RMC process. In the event that insufficient resources are available, the Flag and Techstat processes allow for rapid leadership awareness and engagement to resolve resource requirements.

Increment-based development: It is important to recognize the difference between the time period covered by a PMAS increment and the time period covered by a full software development cycle. A full software development cycle includes the entire period from planning to full deployment at all sites; a PMAS increment covers a shorter period.

Health deployment variances: Due to the highly customized business processes within VHA, a project team declares IOC once it releases software into the production environment. The PMAS definition of success is customer facing functionality delivered into the production environment. OIG documents PMAS failure when the PRE project national deployment was not achieved within 6 months or less. The 6 month software development increments intentionally do not account for the IOC time, as it varies significantly amongst increments, depending on the clinical environment.

Presently, costs are often only known reliably at a project or program level. OIT is transitioning to framework which will execute development contracts at the increment level. In FY13, 86 percent of eligible PD contracts were executed at the increment level. However, it will take time before legacy contracts with only program level costs information expire and can be replaced with new contracts that require costs to be tracked at the increment level. PRE will have contracts that are all increment-based by FY 2014. PRE now meets monthly to reconcile and report actual costs to the PMAS Dashboard.



## APPENDIX

The Appendix lists selected reports pertinent to the five key challenges discussed. However, the Appendix is not intended to encompass all OIG work in an area.

### **OIG MAJOR MANAGEMENT CHALLENGE #1: HEALTH CARE DELIVERY**

#### **Healthcare Inspection—Consultation Mismanagement and Care Delays, Spokane VA Medical Center, Spokane, Washington**

9/25/2012 | 12-01731-284 | [Summary](#) /

#### **Healthcare Inspection—Delay in Treatment, Louis Stokes VA Medical Center, Cleveland, Ohio**

10/12/2012 | 12-01487-08 | [Summary](#) /

#### **Healthcare Inspection—Delays for Outpatient Specialty Procedures, VA North Texas Health Care System, Dallas, Texas**

10/23/2012 | 12-03594-10 | [Summary](#) /

#### **Healthcare Inspection—Alleged Clinical and Administrative Issues, VA Loma Linda Healthcare System, Loma Linda, California**

11/19/2012 | 12-01758-40 | [Summary](#) /

#### **Healthcare Inspection—Inpatient and Residential Programs for Female Veterans with Mental Health Conditions Related to Military Sexual Trauma**

12/5/2012 | 12-03399-54 | [Summary](#) /

#### **Audit of VHA's Physician Staffing Levels for Specialty Care Services**

12/27/2012 | 11-01827-36 | [Summary](#) /

#### **Healthcare Inspection—Appointment Scheduling and Access Patient Call Center, VA San Diego Healthcare System, San Diego, California**

1/28/2013 | 12-04108-96 | [Summary](#) /

#### **Healthcare Inspection—Mismanagement of Inpatient Mental Health Care, Atlanta VA Medical Center, Decatur, Georgia**

4/17/2013 | 12-03869-179 | [Summary](#) /

#### **Healthcare Inspection—Patient Care Issues and Contract Mental Health Program Mismanagement, Atlanta VA Medical Center, Decatur, Georgia**

4/17/2013 | 12-02955-178 | [Summary](#) /

#### **Healthcare Inspection—Inappropriate Use of Insulin Pens, VA Western New York Healthcare System, Buffalo, New York**

5/9/2013 | 13-01320-200 | [Summary](#) /

#### **Healthcare Inspection—Nursing Care in the Community Living Center for Spinal Cord Injury, Louis Stokes VA Medical Center, Cleveland, Ohio**

6/27/2013 | 12-02186-227 | [Summary](#) /

#### **Healthcare Inspection—Provider Availability, VA Roseburg Healthcare System, Roseburg, Oregon**

7/18/2013 | 13-01241-250 | [Summary](#) /

#### **Healthcare Inspection—Alleged Inadequate Oversight at a Contracted Homeless Program, VA New Jersey Health Care System, East Orange, New Jersey**

7/16/2013 | 12-01344-243 | [Summary](#) /





**Healthcare Inspection—Quality and Patient Safety Concerns in the CLC, W.G. (Bill) Hefner VA Medical Center, Salisbury, North Carolina**

7/22/2013 | 13-01123-249 | [Summary](#) |

**Healthcare Inspection—Review of a Patient with Medication-Induced Acute Renal Failure, Amarillo VA Health Care System, Amarillo, Texas**

7/29/2013 | 13-01988-253 | [Summary](#) |

**Healthcare Inspection—Follow-Up Assessment of Radiation Therapy, VA Long Beach Healthcare System, Long Beach, California**

7/31/2013 | 13-00696-254 | [Summary](#) |

**Healthcare Inspection—Review of VHA Follow-Up on Inappropriate Use of Insulin Pens at Medical Facilities**

8/1/2013 | 13-01987-263 | [Summary](#) |

**Healthcare Inspection—Prevention of Legionnaires' Disease in VHA Facilities**

8/1/2013 | 13-01189-267 | [Summary](#) |

**Healthcare Inspection—Review of Circumstances Leading to a Pause in Providing Inpatient Care, VA Northern Indiana Healthcare System, Fort Wayne, Indiana**

8/2/2013 | 13-00670-265 | [Summary](#) |

**Healthcare Inspection—Alleged Patient Rights, Quality of Care, and Other Issues, VA Puget Sound Health Care System, Seattle, Washington**

8/13/2013 | 13-02235-277 | [Summary](#) |

**Vet Center Contracted Care Program Review**

8/16/2013 | 12-00040-268 | [Summary](#) |

**Healthcare Inspection—Alleged Sterile Processing Service Deficiencies, VA Puget Sound Health Care System, Seattle, Washington**

9/3/2013 | 13-01351-296 | [Summary](#) |

**Healthcare Inspection—Gastroenterology Consult Delays, William Jennings Bryan Dorn VA Medical Center, Columbia, South Carolina**

9/6/2013 | 12-04631-313 | [Summary](#) |

**Healthcare Inspection—Laboratory Delays and Alleged Staff Training Issues, Memphis VA Medical Center, Memphis, Tennessee**

9/16/2013 | 13-02599-311 | [Summary](#) |

**Healthcare Inspection—An Unexpected Death in a Mental Health Treatment Program, VA New Jersey Health Care System, Lyons, New Jersey**

9/17/2013 | 13-01498-318 | [Summary](#) |

**Healthcare Inspection—Inadequate Staffing and Poor Patient Flow in the Emergency Department, VA Maryland Health Care System, Baltimore, Maryland**

9/18/2013 | 12-03887-319 | [Summary](#) |

**Healthcare Inspection—Quality of Care Issues, Erie VA Medical Center, Erie, Pennsylvania, and VA Pittsburgh Healthcare System, Pittsburgh, Pennsylvania**

9/25/2013 | 13-01855-336 | [Summary](#) |

**Audit of Selected VHA Non-Institutional Purchased Home Care Services**

9/30/2013 | 11-00330-338 | [Summary](#) |





### **Congressional Testimony 2/13/13**

Statement of Office of Inspector General Department of Veterans Affairs to the Committee on Veterans' Affairs U.S. House of Representatives Hearing: "Honoring The Commitment: Overcoming Barriers To Quality Mental Health Care For Veterans," February 13, 2013 [More](#)

### **Congressional Testimony 3/13/2013**

Statement of Linda A. Halliday Assistant Inspector General For Audits and Evaluations Office of Inspector General Department of Veterans Affairs Before The Subcommittee on Health Committee on Veterans' Affairs U.S. House of Representatives Hearing: "Meeting Patient Care Needs: Measuring the Value of VA Physician Staffing Standards," March 13, 2013 [More](#)

### **Congressional Testimony 7/19/2013**

Statement of Michael L. Shepherd, M.D., Before the Subcommittee on Health, Committee on Veterans' Affairs, U.S. House of Representatives Hearing: "Care and Treatment Available To Survivors of Military Sexual Trauma," July 19, 2013 [More](#)

### **Congressional Testimony 8/7/2013**

Statement of Michael L. Shepherd, M.D., Before the Committee on Veterans' Affairs, U.S. Senate Hearing: "Ensuring Veterans Receive the Care They Deserve: Addressing VA Mental Health Program Management," August 7, 2013 [More](#)

## **OIG CHALLENGE #2: BENEFITS PROCESSING**

### **Audit of Vocational Rehabilitation and Employment Program's Self-Employment Services at Eastern and Central Area Offices**

12/11/2012 | 11-00317-37 | [Summary](#) |

### **Audit of NCA's Internal Gravesite Review of Headstone and Marker Placement**

2/7/2013 | 12-02223-98 | [Summary](#) |

### **Interim Report–Participation in VBA's Veterans Retraining Assistance Program**

4/15/2013 | 12-04524-171 | [Summary](#) |

### **Audit of VBA's Foreclosed Property Management Contractor Oversight**

8/27/2013 | 12-01899-238 | [Summary](#) |

### **Audit of VBA's Pension Payments**

9/4/2013 | 12-00181-299 | [Summary](#) |

### **Audit of VBA's Veterans' Retraining Assistance Program Participation**

9/17/2013 | 12-04524-321 | [Summary](#) |

### **Congressional Testimony 2/15/2013**

Statement of Linda A. Halliday Assistant Inspector General for Audits and Evaluations Office of Inspector General Department of Veterans Affairs Before the Subcommittee on Disability Assistance and Memorial Affairs Committee on Veterans' Affairs U.S. House of Representatives Hearing: "The 100 Percent Temporary Disability Rating: An Examination of its Effective Use," February 5, 2013 [More](#)



### **Congressional Testimony 4/10/2013**

Statement of Linda A. Halliday Assistant Inspector General For Audits and Evaluations Office of Inspector General Department of Veterans Affairs Before the Subcommittee on Disability Assistance and Memorial Affairs Committee on Veterans' Affairs U.S. House of Representatives Hearing: "Sustaining the Sacred Trust: An Update on Our National Cemeteries," April 10, 2013 [More](#)

### **Congressional Testimony 4/18/2013**

Statement of Richard J. Griffin Deputy Inspector General Office of Inspector General Department of Veterans Affairs Before the Subcommittee on Military Construction Veterans Affairs, and Related Agencies Committee on Appropriations U.S. Senate Hearing: "VA Challenges in Fiscal Year 2014," April 18, 2013 [More](#)

## **OIG CHALLENGE #3: FINANCIAL MANAGEMENT**

### **Audit of VBA's Liquidation Appraisal Oversight in the Cleveland and Phoenix Regional Loan Centers**

10/4/2012 | 10-04045-124 | [Summary](#) |

### **Review of Allegations at VA Medical Center, Providence, Rhode Island**

12/17/2012 | 10-01937-63 | [Summary](#) |

### **Review of VHA's South Texas Veterans Health Care System's Management of Fee Care Funds**

1/10/2013 | 11-04359-80 | [Summary](#) |

### **Audit of VA's Consolidated Financial Statements for Fiscal Years 2012 and 2011**

1/18/2013 | 12-01284-13 | [Summary](#) |

### **Audit of VHA's Beneficiary Travel Program**

2/6/2013 | 11-00336-292 | [Summary](#) |

### **Review of VA's Compliance with the Improper Payments Elimination and Recovery Act for FY 2012**

3/15/2013 | 12-04241-138 | [Summary](#) |

### **Audit of the Community Nursing Home Program**

3/29/2013 | 11-00331-160 | [Summary](#) |

### **Independent Review of VA's FY 2012 Performance Summary Report to the Office of National Drug Control Policy**

3/31/2013 | 13-00680-142 | [Summary](#) |

### **Independent Review of VA's FY 2012 Detailed Accounting Submission to the Office of National Drug Control Policy**

3/31/2013 | 13-00682-143 | [Summary](#) |

### **Review of VA's Programs for Addressing Climate Change**

6/28/2013 | 13-01846-235 | [Summary](#) |

### **Audit of Non-Purchase Card Micro-Purchases**

8/9/2013 | 12-01860-237 | [Summary](#) |

### **Review of VHA's Management of Travel, Duty Stations, Salaries and Funds in the Procurement and Logistics Office**

9/30/2013 | 11-01653-300 | [Summary](#) |



## **OIG CHALLENGE #4: PROCUREMENT PRACTICE**

### **Review of VHA's Minor Construction Program**

12/17/2012 | 12-03346-69 | [Summary](#) /

### **Review of VA's Acquisitions Supporting the Veteran Employment Services Office**

6/25/2013 | 13-00644-231 | [Summary](#) /

### **Audit of NCA's Contracting Practices**

9/26/2013 | 12-00366-339 | [Summary](#) /

### **Audit of VA's Technology Acquisition Center Contract Operations**

9/27/2013 | 12-02387-343 | [Summary](#) /

### **Review of VA's Separately Priced Item Purchases for Training Conferences**

9/30/2013 | 13-00455-345 | [Summary](#) /

## **OIG CHALLENGE #5: INFORMATION MANAGEMENT**

### **Review of VA's Alleged Incomplete Installation of Encryption Software Licenses**

10/11/2012 | 12-01903-04 | [Summary](#) /

### **Audit of VA's Systems Interconnections with Research and University Affiliates**

10/23/2012 | 11-01823-294 | [Summary](#) /

### **Audit of VA's Office of Information Technology Strategic Human Capital Management**

10/29/2012 | 11-00324-20 | [Summary](#) /

### **Review of VBA's Transition to a Paperless Claims Processing Environment**

2/4/2013 | 11-04376-81 | [Summary](#) /

### **Review of Alleged Transmission of Sensitive VA Data Over Internet Connections**

3/6/2013 | 12-02802-111 | [Summary](#) /

### **Federal Information Security Management Act Audit for Fiscal Year 2012**

6/27/2013 | 13-01712-229 | [Summary](#) /

### **Review of Alleged System Duplication in VA's Virtual Office of Acquisition Software Development Project**

9/18/2013 | 12-02708-301 | [Summary](#) /

### **Congressional Testimony 6/4/2013**

Statement of Linda A. Halliday Before the Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs, U.S. House of Representatives, Hearing: "How Secure is Veterans' Private Information?" June 4, 2013 [More](#)

### **Congressional Testimony 5/21/2013**

Statement of the Office of Inspector General before the Subcommittee on Health, Committee on Veterans' Affairs, U.S. House of Representatives Hearing, May 21, 2013 [More](#)



## High-Risk Areas Identified by GAO

GAO evaluates VA's programs and operations. In February 2013, GAO issued an update to its High-Risk Series (GAO-13-283). GAO identified high-risk areas (specific to VA as well as Governmentwide) are summarized below. In response to each of the high-risk areas, the Department has provided the following:

- **Estimated resolution timeframe (fiscal year)** for VA to eliminate each high-risk area
- **Responsible Agency Official** for each high-risk area
- **Completed 2013 milestones** in response to the high-risk area
- **Planned 2014 milestones** along with **estimated completion quarter**

High-Risk Area		Estimated Resolution Timeframe (Fiscal Year)	Page #
No.	Description (Responsible Office)		
GAO 1	Improving and Modernizing Federal Disability Programs (VBA lead, BVA to provide additional input regarding appeals)	2016	II - 115
GAO 2	Strategic Human Capital Management: A Government-wide High-Risk Area (HRA)	2015	II - 118
GAO 3	Managing Federal Real Property: A Government-wide High-Risk Area (OM-OAEM)	2014	II - 119
GAO 4	Protecting the Federal Government's Information Systems and the Nation's Cyber Critical Infrastructures (OIT)	2014	II - 120
	Appendix		II - 122



## **GAO High-Risk Area 1: Improving and Modernizing Federal Disability Programs (VBA lead, BVA to provide additional input regarding appeals)**

*(Based upon GAO-13-283, GAO-13-89 and GAO-11-633T)*

Federal disability programs remain in need of modernization. Numerous Federal programs provide a range of services and supports for people with disabilities—including 45 employment-related programs—that together represent a patchwork of policies and programs without a unified strategy or set of national goals. Further, three of the largest Federal disability programs—managed by the Social Security Administration (SSA) and VA—rely on out-of-date criteria to a great extent in making disability benefit decisions. While SSA and VA have taken concrete steps toward updating their criteria, these disability programs emphasize medical conditions in assessing an individual's work incapacity without adequate consideration of the work opportunities afforded by advances in medicine, technology, and job demands. Finally, Federal disability benefit programs are experiencing growing disability claim workloads as the demand for benefits has increased under a difficult job market. Thus, challenges are likely to persist, despite concerted efforts to process more claims annually. GAO designated improving and modernizing Federal disability programs as high risk in 2003.

### **VA's Program Response**

**Estimated Resolution Timeframe: 2016**

**Responsible Agency Official: Under Secretary for Benefits**

#### Completed 2013 Milestones

VBA is aggressively pursuing its Transformation Plan to implement a series of tightly integrated people, process, and technology initiatives designed to achieve the 2015 strategic goal of completing all rating-related compensation and pension claims within 125 days at 98 percent accuracy level. VBA is retraining, reorganizing, and streamlining business processes, while building and implementing technology solutions based on newly redesigned processes to improve benefits delivery. The objectives of transformation include achieving new efficiencies, greater effectiveness, improved quality and consistency, and a workplace that is recognized as an "employer of choice."

Significant progress is being made. As of September 30, 2013, the claims inventory totaled 722,013, down from a high of 883,930 in July 2012. As of September 30, 2013, the backlog of claims older than 125 days totaled 418,472. This was 192,601 below the peak backlog in March 2013 and its lowest point since March 2011. As of August 2013, claim-based accuracy was 89.1 percent and accuracy measured at the medical issue-based level was 95.8 percent.

VBMS was successfully deployed to all 56 ROs in June 2013, six months ahead of schedule. VBMS is a Web-based, electronic claims processing solution developed to improve business processes that will serve as the enabling technology for quicker, more accurate, integrated claims processing. VBMS Release 5.0, deployed in the fourth quarter of 2013, provides an enhanced application supporting the future end-state goal of a complete, electronic claims processing system.

VBA continues to update the entire VA Schedule for Rating Disabilities (VASRD) to ensure compliance with current medical science. The Mental Disorders, Respiratory, Skin, and Musculoskeletal and Rheumatology body systems entered the working group phase. The working group phase for the Gynecological and Breast, Eye, Ear, Nose and Throat/Audiology, and Neurological and Convulsive body systems was completed and these systems have entered the development phase. The development



phase for the Infectious Diseases, Cardiovascular, Genitourinary, Digestive, and Dental and Oral body systems was completed and these systems have entered the concurrence phase.

In 2013, VBA and the DoD agreed to require the military services to certify each service treatment record (STR) as complete when transferred to VA. DoD published the new DoD Form 2963 "Service Treatment Record (STR) Transfer or Certification." DoD completed transition to the DD Form 2963 on August 1, 2013. Having the military services' certify the STR at the point of separation or retirement will reduce time spent by VBA adjudicators in looking for STR documentation that does not exist. Reducing the time spent looking for STR documentation will assist in decreasing the development time for compensation claims. This reduction in development time assists VBA in achieving the 125 day goal for processing compensation claims.

VA and SSA partnered via the SSA Government Services Online (GSO) initiative to pilot a Web-based tool that allows VA personnel to communicate directly with SSA personnel regarding record requests. In addition, SSA agreed to eliminate VA-provided records from the materials sent to VA. SSA and VA worked collaboratively to standardize the file size and format and implement procedures to exclude VA medical records from SSA records. On September 16, 2013, the SSA GSO system was deployed to 300 new users across all RO's and the Appeals Management Center. This limited national rollout included training and feedback to ensure stations were prepared to transmit medical records electronically. Additional users will be phased in, by area, during 2014. .

VBA delivered nine new Web-based training modules targeting topics that address quality assurance and emerging trends in 2013. The Web-based training modules are taken individually and are available to all employees. Challenge Instructor Web-Based Training (IWT) for new employees began with a pilot in November 2012. IWT is an 8-week course for new Veterans Service Representatives (VSR) and RVSRs. Consistent, high-quality, and updated training materials are targeted to reducing errors and increasing production.

VBA provided Quality Review Team (QRT) Challenge Training for new and existing QRT members. This training consisted of IWT for 3 days, followed by a 2-week training session in Nashville, Tennessee or on-site at an RO for practical training. This Challenge program was designed to promote consistency in error detection and reporting between local and national quality reviewers. In addition, the training focused on detecting and reporting error trends at the local level, providing training to field personnel to correct deficiencies noted during quality reviews, and providing proper one-on-one mentoring of the claims processors when errors are detected.

VBA continues to enhance the Veterans Relationship Management (VRM) system, which provides Veterans with multiple self-service options that include the capability to file an online claim through a DoD-VA shared self-service portal.

VBA also accelerated the national rollout of a new Transformation Organizational Model by 9 months. The new model, which was implemented in all regional offices by the end of the 2<sup>nd</sup> quarter in 2013, includes segmented lanes, cross-functional teams, and intake processing centers.

Newly appointed VSRs and RVSRs completed a new 8-week national-level "Challenge Training" curriculum, designed to improve the timeliness and accuracy of claims processing. Marked improvements in performance were achieved following completion of the training.





Trained QRTs, focused on fixing the most common sources of errors in the claims processing cycle, substantially reduced the number of exam-related deficiencies that impact the outcome of claims decisions.

VBA expanded the Private Medical Records initiative, which is designed to reduce the length of the evidence-gathering phase of the disability claims adjudication process. In addition, a Rules-Based Processing system is being piloted in St. Paul, Minnesota, and VBA is closely tracking current metrics to assess results.

VBA, in partnership with the Board of Veterans' Appeals (Board), continued to participate in joint training to aid in standardizing adjudication across the VA benefits system. Such interactive training is expected to lead to future reduction in the number of avoidable remands.

The Board also sought to leverage technology to gain efficiencies in administrative processing. In particular, the Board piloted a program to virtually associate mail and written work products submitted by a co-located Veterans Service Organization (VSO) with claims files, which eliminates inefficiencies associated with processing and handling paper.

#### Planned 2014 Milestones with estimated completion quarter

In 2014, VBA will enter the stabilization and assessment phase of its multi-year approach to transformation. VBA will continue to leverage the capabilities of VBMS, VRM, and the Virtual Lifetime Electronic Record by adding increased functionality to process appeals. Additional forms to facilitate electronic filing of claims will be made available in the eBenefits Portal to further expedite the transition to a paperless environment. Separation Health Assessments conducted for Servicemembers prior to leaving service will streamline the process for those who intend to file a claim for disability benefits. The Stakeholder Enterprise Portal will provide VSOs with secure messaging, access to DoD services, on demand help, and claims status information. These planned actions and initiatives will support VBA efforts to improve the timeliness and accuracy of claims and appeals processing. (Q4)

As a part of the ongoing VASRD update project, VBA has established a goal for each body system with regards to the rulemaking progress. VBA plans to complete the working group and development phases and enter all remaining regulations into the concurrence phase in accordance with the following dates: Cardiovascular and Infectious Diseases (Q2); Skin and Respiratory, and Neurological and Convulsive (Q3); Ear, Nose and Throat/Audiology; Eye, Gynecological and Breast, Mental Disorders, and Musculoskeletal and Rheumatology. (Q4)

All STRs will be sent into DoD's Health Artifacts and Imaged Management Solution, and the system is expected to be fully deployed on December 31, 2013. VA and DoD are also collaborating to receive STRs electronically into VBMS at the point of separation or retirement from military service. (Q1)

VA and DoD will continue to discuss the best way forward for transmitting STRs from DoD to VA to meet the requirements for VA's Pre-Discharge and Integrated Disability Evaluation System programs. VA and DoD expect to identify the changes and implement them in business practices by the end of 2014. (Q4)

VBA will deliver monthly virtual training targeting error trends and emerging issues to claims processors. The target audiences will be broadened to include Claims Assistants, QRTs, and Military Service





Coordinators. QRT members will continue to receive monthly training for rating claims and quarterly training for authorization claims during the Monthly Quality Call. Challenge IWT Training for VSRs and RVSRs will continue through 2014. (Q4)

## **GAO High-Risk Area 2: Strategic Human Capital Management (HRA)**

*(Based upon GAO-13-283, GAO-13-188, GAO-12-1023T)*

Addressing complex challenges such as disaster response, national and homeland security, and economic stability requires a high-quality Federal workforce able to work seamlessly with other agencies, levels of government, and across sectors. However, current budget and long-term fiscal pressures, coupled with a potential wave of employee retirements that could produce gaps in leadership and institutional knowledge, threaten the government's capacity to effectively address these and many other evolving, national issues. Although progress has been made, the area remains high-risk because more work is needed in implementing specific corrective strategies for addressing critical skills gaps and evaluating their results. GAO added this area to its high risk list in 2001.

### **VA's Program Response**

**Estimated Resolution Timeframe: 2015**

**Responsible Agency Official: Assistant Secretary for Human Resources and Administration**

#### Completed 2013 Milestones

Streamline/standardize recruitment for Federal jobs. VA developed and validated 645 customized position descriptions for use throughout VA. In addition, VA developed and validated 18 customized assessment questionnaires and conducted training for 208 HR professionals focusing on valid assessment questionnaires.

Retain Personnel VA deployed a virtual training delivery method to make training available to all HR Specialists while eliminating travel expenses. VA Learning University delivered classroom, Webinar and asynchronous online training in support of developing current and future leaders to over 46,000 employees. In addition, the Leadership Proficiency Assessment program was developed to provide online tools that allow individuals to determine their strengths and areas for development as a leader.

Enhance opportunities for employees to become more engaged at work MyCareer@VA expanded its resources targeting senior leaders and supervisors to include additional Web-based training courses and resources specifically for these individuals to better understand how to develop and retain employees. MyCareer@VA has developed additional tools and resources for users to enhance their career development efforts to include Web-based trainings, CareerPrep, and CareerTalk.

Closing Mission Critical Occupations (MCOs) Staffing/Competency Gaps. VA's MCO Agency Project Team, an agency-specific spin-off of the Government-wide MCO Integrated Product Team steered by OPM, continues to identify the employee workforce gaps for the agency's top MCOs. Actions include leveraging academic affiliations such as VA facilities partnering with local academic institutions to offer medical technologist training programs.



#### Planned 2014 Milestones with estimated completion quarter

VA will drive transformation through strategic human capital engagement, development, and talent acquisition. More specifically, this includes:

- Development. VA will sustain the Talent Management System to ensure VA's ability to deliver training in conjunction with evaluation and return-on-investment functionality. VA is also producing a request for proposal to develop an HR training certificate/degree at no cost to VA and a reduced cost to employees. VA will also be launching a train-the-trainer initiative with trained subject matter experts throughout VA to address HR competency gaps. Lastly, VA will continue to develop strategies to close skill gaps in mission critical, leadership and key positions to align with the new VA Strategic Plan and Office of HRA's Strategic Plan. (Q4)
- Talent Acquisition. VA will place continued emphasis on recruiting and retaining a highly qualified, diverse and inclusive workforce and reintegrating Veterans for opportunities to work for VA through VESO. (Q4)

#### **GAO High-Risk Area 3: Managing Federal Real Property (OM-OAEM)**

*(Based upon GAO-13-283, GAO-12-645, GAO-12-779, and GAO-12-646)*

The Federal Government faces long-standing problems in managing Federal real property, including effectively managing excess and underutilized property, an overreliance on leasing, and protecting Federal facilities. The government has given high level attention to this issue and has made progress in real property management, but the underlying challenges that hamper reform remain. Specifically, the government continues to lack consistent, accurate, and useful data to support decision making. In addition, competing stakeholder interests regarding the disposition of excess real property, and legal requirements such as those related to environmental cleanup also present challenges. The Federal Protective Service has struggled to effectively target limited resources for protecting federal facilities.

#### **VA's Program Response**

**Estimated Resolution Timeframe: 2014**

**Responsible Agency Official: Director, Asset Enterprise Management**

#### Completed 2013 Milestones

The Capital Asset Inventory and Strategic Capital Investment Planning Automated Tool (SAT) are the primary systems related to VA's real property. A number of enhancements have been implemented in both systems to improve the overall system use, specifically focused on improving data quality, eliminating duplicate entries, and better linking assets across various data sets.

VA also began implementing changes in support of the Government-wide Freeze the Footprint (FTF) initiative. The requirements associated with the Strategic Capital Investment Planning (SCIP) process were modified to include FTF reviews. Specific initiatives were also launched to help reduce office space across VA's portfolio, starting with footprint reduction efforts in OIT and VA Central Office. Detailed reviews of current inventory utilization and plans for future disposals were also initiated.

#### Planned 2014 Milestones with estimated completion quarter

VA will continue to enhance the SCIP SAT with additional features such as project to building linkage and more detailed facility condition data. The SCIP SAT, beginning with FY14, will be used for creation and



approval of operating plans. These further enhancements will result in a more efficient and robust management of the capital asset planning process. (Q2)

VA will continue implementation of requirements related to FTF. The SCIP process will be fully utilized to review future investments related to FTF and ensure internal controls are in place. The SCIP SAT will be modified and utilized to monitor, report, and analyze FTF actions. Lastly, specific initiatives focused on disposing un-needed FTF assets and improving space standards related to office space and warehouse space will be implemented to ensure VA is well positioned for FTF in the future. (Q3)

#### **GAO High-Risk Area 4: Protecting the Federal Government's Information Systems and the Nation's Cyber Critical Infrastructures (OIT)**

*(Based upon GAO-13-183, GAO-12-816, and GAO-12-137)*

As computer technology has advanced, Federal agencies and our Nation's critical infrastructures—such as power distribution, water supply, telecommunications, and emergency services have become increasingly dependent on computerized information systems and electronic data to carry out operations and to process, maintain, and report essential information. The security of these systems and data is essential to protecting national and economic security, and public health and safety. Safeguarding Federal computer systems and the systems that support critical infrastructures—referred to as cyber critical infrastructure protection (cyber CIP)—is a continuing concern. Federal information security has been on GAO's list of high-risk areas since 1997; in 2003, GAO expanded this high-risk area to include cyber CIP. Risks to information and communication systems include insider threats from disaffected or careless employees and business partners, escalating and emerging threats from around the globe, the ease of obtaining and using hacking tools, the steady advance in the sophistication of attack technology, and the emergence of new and more destructive attacks.

#### **VA's Program Response**

**Estimated Resolution Timeframe: 2014**

**Responsible Agency Official: Deputy Assistant Secretary for Information Security**

#### Completed 2013 Milestones

In 2013, OIT continued its vigilant protection of VA's information systems and cyber critical infrastructures. OIT provided continuous around-the-clock monitoring of VA's network through VA's Network and Security Operations Center (VA-NSOC), which protects, responds to, and reports threats to information systems. VA-NSOC examines more than 1.29 billion Web requests per day and prevents 1.7 million viruses a year from infecting the VA network. In order to ensure that VA's cyber critical infrastructures are able to remain functional in the event of a disaster, VA's Office of Business Continuity (OBC) implemented a contingency and disaster recovery process, which is compliant with NIST standards 800-34 and 800-84. OBC also implemented a quality assurance review of completed plans and tests to ensure that these processes are monitored and updated as appropriate. OIT is a full participant in the VA Integrated Operations Center, and it has developed a Geographic Information Systems monitoring program that provides situational awareness on infrastructure systems and assets to ensure that VA can continue providing services to Veterans in the event of a disaster. Additionally, as of 2013, two percent of the two-factor authentication implementation strategy has been completed. The aim of this strategy is to enhance security, increase government efficiency, reduce identity fraud, and protect personal privacy, in accordance with Homeland Security Presidential Directive 12.



Planned 2014 Milestones with estimated completion quarter

Planned 2014 milestones – In 2014, OBC plans to implement a cyber-CIP program consistent with Federal guidance and NIST standards.

In addition, 75 percent of the two-factor authentication implementation strategy will be complete.

Estimated completion quarter – FY 2014



## APPENDIX

The Appendix lists selected reports pertinent to the high-risk areas discussed. However, the Appendix is not intended to encompass all GAO work in an area.

### **Improving and Modernizing Federal Disability Programs**

*High-Risk Series: An Update*, GAO-13-283, February 2013.

*Military and Veterans Disability System: Pilot Has Achieved Some Goals, but Further Planning and Monitoring Needed*, GAO-11-69, December 6, 2010.

*Military and Veterans Disability System: Worldwide Deployment of Integrated System Warrants Careful Monitoring*, GAO-11-633T, May 4, 2011.

### **Strategic Human Capital Management**

*High-Risk Series: An Update*, GAO-13-283, February 2013.

### **Managing Federal Real Property**

*High-Risk Series: An Update*, GAO-13-283, February 2013.

*VA Real Property: Realignment Progressing, but Greater Transparency about Future Priorities Is Needed*, GAO-11-197, January 31, 2011.

*Federal Real Property: The Government Faces Challenges to Disposing of Unneeded Buildings*, GAO-11-370T, February 10, 2011.

*VA Real Property: Realignment Progressing, but Greater Transparency about Future Priorities Is Needed*, GAO-11-521T, April 5, 2011.

### **Protecting the Federal Government's Information Systems and the Nation's Critical Infrastructures**

*High-Risk Series: An Update*, GAO-13-283, February 2013.

*Medical Devices: FDA Should Expand Its Consideration of Information Security for Certain Types of Devices*, GAO-12-816, August 31, 2012.

*Information Security: Weaknesses Continue Amid New Federal Efforts to Implement Requirements*, GAO-12-137, October 3, 2011.